OFFICE OF LEGAL COUNSEL

1992

Screened by NARA (RD-F) 02-01-2019 FOIA # 60048 (URTS 16452) DOCID: 70106600

AMERICAN

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: FLANIGAN, TIMOTHY E., ACTING AAG, OLC

To: AG. ODD: NONE

Date Received: 01-19-93 Date Due: NONE Control #: X92123118356

Subject & Date

05-01-92 MEMO SUBMITTING SEVERAL OPTIONS FOR USE OF FEDERAL AND NATIONAL GUARD PERSONNEL IN CONNECTION WITH DISTURBANCES IN LOS ANGELES.

	Referred To:	Date:		Referred	To:	Date:	
(1)	OAG; FILES	01-19-93	(5)				W/IN:
(2)			(6)				
(3)			(7)				PRTY:
(4)			(8)				18
	INTERIM BY:			DATE:		-2	OPR:
	Sig. For:	NONE		Date Rele	eased:		KIM
	_						

Remarks

EXEC. SEC. RECEIVED FROM OAG/LEVIN ON 01-19-93 FOR CONTROLLING PURPOSES.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF LEGAL COUNSEL

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY



MAY Tr

Sections 331 through 333 of title 10 empower the President to take various actions to counter civil disturbances. The most likely basis for such an action by the President in this case is section 333 discussed above. That section expressly authorizes the President to use "the militia or the armed forces, or both" to suppress domestic violence. Presidential action under section 333 does not require a request for assistance from the affected State. National Guard units called on by the President under this section may be from the affected State or from other States.

As noted above, we read this statute to provide an independent basis for action ordered by the President to suppress the disturbance, irrespective of whether any particular act encountered by National Guard or military personnel violates any provision of federal law.

Prior to invoking any of those sections, the President must first issue an proclamation ordering those involved in the disturbance to disperse. As an historical matter, such proclamations have generally been followed by an executive order directing the Secretary of Defense and the Attorney General to take steps to use national guard and federal military units to quell the disturbance.

Timothy E. Flanigan
Acting Assistant Attorney General
Office of Legal Counsel

- Use of the militia or federal armed forces.
- Upon the request of the State's legislature or its governor if the legislature cannot meet, the President may call into federal service such of the militia of other States as are requested by the affected State and may use such of the armed forces as he considers necessary to suppress the insurrection. 10 U.S.C. § 331.
- Whenever the President considers that insurrection against the authority of the United States makes it impracticable to enforce the laws of the United States by the ordinary course of judicial proceedings, he may call into federal service the militia of any State and may use the armed forces as he considers necessary to enforce those laws or to suppress the rebellion. 10 U.S.C. § 332.
- The President shall use the militia or the armed forces or any other means as he considers necessary to suppress any insurrection or domestic violence if such violence (1) so hinders the execution of the laws that any part or class of people in a State is deprived of a constitutional right or a right secured by law and the authorities of that State are unable, fail, or refuse to protect that right; or (2) opposes or obstructs the execution of the law or impedes the course of justice. In any situation covered by clause (1), the State shall be considered to have denied equal protection of the laws. 10 U.S.C. § 333.
- Whenever the President considers it necessary to use militia or armed forces under these provisions, he shall issue a proclamation ordering the insurgents to disperse within a limited time. 10 U.S.C. § 334.
- Use of federal law enforcement officers.
- U.S. marshals and deputy marshals may exercise the same powers as a state sheriff in executing federal laws within that state. 28 U.S.C. § 564. (In connection with the St Croix matter, the DAG's office authorized the deputization of the FBI's HRT as special U.S. marshals to give them authority under this statute.)
- Federal law enforcement officials may only enforce federal laws. Applicable federal criminal laws include 18 U.S.C. §§ 231 (civil disorders), 371 (conspiracy) and 2101 (riot) [ADD FIREARMS STATUTE?] We will consult with the Criminal Division to identify other applicable federal criminal laws.



LAW AND ORDER IN THE CITY AND COUNTY OF LOS ANGELES, CALIFORNIA

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, I have been informed that conditions of domestic violence and disorder exist in and about the City and County of Los Angeles, California, endangering life and property and obstructing execution of the laws, and that the available law enforcement resources, including the National Guard, are unable to suppress such acts of violence and to restore law and order; and

WHEREAS, such domestic violence and disorder are also obstructing the execution of the laws of the United States, in and about the City and County of Los Angeles, California.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, do command all persons engaged in such acts of violence and disorder to cease and desist therefrom and to disperse and retire peaceably forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand this thirtieth day of April, in the year of our Lord nineteen hundred and ninety-two, and of the Independence of the United States of America the two hundred and sixteenth.

EXECUTIVE ORDER

PROVIDING FOR THE RESTORATION OF LAW AND ORDER IN THE CITY AND COUNTY OF LOS ANGELES, CALIFORNIA

WHEREAS, I have today issued Proclamation No. ; and

WHEREAS, the conditions of domestic violence and disorder described therein continue, and the persons engaging in such acts of violence have not dispersed;

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States and Commander in Chief of the Armed Forces by the Constitution and the laws of the United States, including Chapter 15 of Title 10 of the United States Code, it is hereby ordered as follows:

Section 1. Units and members of the Armed Forces of the United States will be used to suppress the violence described in the proclamation and to restore law and order in and about the City and County of Los Angeles, California.

Sec. 2. The Secretary of Defense[, in consultation with the Attorney General,] is authorized to use such of the Armed Forces as may be necessary to carry out the provisions of section 1. that end, he is authorized[, in consultation with the Attorney General,] to call into the active military service of the United States units or members of the National Guard, as authorized by law, to serve in an active duty status for an indefinite period and until relieved by appropriate orders. Units or members may be relieved subject to recall at the discretion of the Secretary of Defense.

In carrying out the provisions of this order, the Secretary of Defense shall observe such law enforcement policies as the Attorney General may determine.

- Sec. 3. Until such time as the Armed Forces shall have been withdrawn pursuant to section 4 of this order, the Attorney General is further authorized (1) to coordinate the activities of all Federal agencies assisting in the suppression of violence and in the administration of justice in and about the City and County of Los Angeles, California, and (2) to coordinate the activities of all such agencies with those of State and local agencies similarly engaged.
- Sec. 4. The Secretary of Defense is authorized to determine when Federal military forces shall be withdrawn from the disturbance area and when National Guard units and members called into the active military service of the United States in accordance with section 2 of this order shall be released from



such active service. Such determination shall be made in the light of the Attorney General's recommendations as to the ability of State and local authorities to resume full responsibility for the maintenance of law and order in the affected area.

- Sec. 5. The Secretary of Defense and the Attorney General are authorized to delegate to subordinate officials of their respective Departments any of the authority conferred upon them by this order.
- <u>Sec. 6.</u> Nothing contained in this order shall confer any substantive or procedural right or privilege on any person or organization, enforceable against the United States, its agencies or instrumentalities, its officers, or its employees.

THE WHITE HOUSE, April 30, 1992

ORDER NO.

AUTHORIZING THE DIRECTOR, UNITED STATES
MARSHALS SERVICE, AND THE DIRECTOR, FEDERAL
BUREAU OF INVESTIGATION, TO TAKE CERTAIN ACTIONS
IN THE CITY AND COUNTY OF LOS ANGELES, CALIFORNIA

By virtue of the authority vested in me by statute, including 28 U.S.C. §§ 509, 510, 533, 564 and 566, and 18 U.S.C. §§ 3052 and 3053, I hereby direct the Director, United States Marshals Service, and the Director, Federal Bureau of Investigation, to take all necessary steps to exercise all lawful authority necessary to enforce the federal laws in the City and County of Los Angeles, California.

Date:	
	William P. Barr
	Attorney General

11 DECEMBERGY

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: BARRY, JOHN E., DEPUTY AAG, OLC

To: AG. ODD: NONE

Date Received: 01-15-93 Date Due: NONE Control #: X92123118305

Subject & Date

12-11-92 MEMO ADVISING THAT PURSUANT TO

EXECUTIVE ORDER 12146, THE OFFICE OF LEGAL COUNSEL IS CONTINUING THE PRACTICE OF PUBLISHING SELECTED OPINIONS OF THEIR OFFICE THAT EXPLICATE LEGAL PRINCIPLES OF IMPORTANCE TO THE EXECUTIVE BRANCH.

. SEE EXEC. SEC. 92121417675.

	Referred To:	Date:		Referred To:	Date:	
(1)	OAG; FILES	01-22-93	(5)			W/IN:
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	Sig. For: N	NONE		Date Released	i:	EHZ

Remarks

EXEC. SEC. REC'D FROM OAG/LEVIN ON 01-15-93 FOR CONTROLLING PURPOSES.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF LEGAL COUNSEL

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





U.S. Department of Justice

Office of Legal Counsel

Office of the Deputy Assistant Attorney General Washington, DC 20530

December 11, 1992

To:

William P. Barr

Attorney General

Attention: Daniel Levin

From:

John E. Barry

Deputy Assistant Attorney General

Office of Legal Counsel

Re:

Publication of Opinions Prepared by the

Office of Legal Counsel (1985-1992)

Pursuant to Executive Order 12146, the Office of Legal Counsel is continuing the practice of publishing selected opinions of this Office that explicate legal principles of importance to the Executive Branch. Publication is designed to assist Executive Branch agencies, the courts, and the bar. Annual volumes of Office of Legal Counsel opinions covering the years 1977 through 1982 have previously been published, and we are currently working on the publication of volumes covering the years 1983 to date.

Consistent with the requirements of sections 1-501 and 1-502 of Executive Order 12146, the Office of Legal Counsel has identified for publication the attached opinion(s) prepared for your office. Please review the opinion(s) to determine if your office has any objections to publication, and advise us of your determination no later than Thursday, December 24th.

Following approval, this Office will review each opinion for accuracy and citation form and draft an explanatory headnote. In instances involving questions of conflict-of-interest and other ethical matters, opinions will be edited to delete names and other identifying details. Other minor editorial revisions may also be made to prepare opinions for publication.

Please call me at 514-2069 if you have any questions about this matter, or if you wish to discuss an objection or concern with respect to the publication of a particular opinion. Thank you for your cooperation.



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DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

RAWLS, W. LEE, AAG, OLA

ODD: NONE To: AG.

Control #: X92111316494 Date Received: 11-09-92 Date Due: NONE

Subject & Date

02-19-92 MEMO (COPY) REGARDING SEVERAL LEGISLATIVE

TELEPHONE CALLS THE AG SHOULD MAKE.

(NOTE: REC'D FROM OAG ON 11-09-92.)

	Referred To:	Date:	Referred To: Date	:
(1)	OAG; FILES	11-13-92	(5)	W/IN:
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	Sig. For:	NONE	Date Released:	MAU

Remarks

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF LEGISLATIVE AFFAIRS

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY ***********************************



U.S. Department of Justice



Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

February 19, 1992

MEMORANDUM

TO:

Bill Barr

Attorney General

FROM:

Lee Rawls 2012

Assistant Attorney General Office of Legislative Affairs

SUBJ: Legislative Chickenfeed

- I. Calls: There are several overlapping issues and Senatorial calls that you should make Thursday.
 - 1. Hollings call:
 - -- Digital telephony
 Message: would like to bring Sessions and meet.
 - Kennedy and Biden for Jay Waldman. Circumstances have created the expectation that you will call.
 - X A. Kennedy Call:
 - -- Mass. judges
 - -- Waldman
 - -- Civil Rights implementation letter.
 - -- Immigration. Refugee status and summary exclusion.
 - ∠ B. Biden Call:
 - -- Terwilliger/Budd: fast hearings
 - -- Waldman
 - Digital Telephony
 - 3. Leahy call:
 - -- Digital telephony
 - 4. Simpson call:
 - -- Refugee status and summary exclusion
 - -- Carl Hampe



FOIA # 60048 (URTS 16452) DocId: 70106602 Page 3 NARA-18-1003-A-002876





CONTROL NUMBER: 92020601986

LUCAS, WILLIAM Dir-OLS

THE ENTIRE DOCUMENT PACKET FOR THE CONTROLLED CORRESPONDENCE INDICATED BY THE ABOVE EX.SEC. CONTROL NUMBER HAS BEEN FILED IN THE FOLLOWING PRIMARY FILE LOCATION WITHIN THE SUBJECT FILES OF THE ATTORNEY GENERAL.

PRIMARY FILE: AG INVITATIONS/SPEAKING

5 FEB 92



FOIA # 60048 (URTS 16452) DocId: 70106620 Page 2

8 FEBRUARY 92

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: LUCAS, WILLIAM, DIRECTOR, OLS

To: AG. ODD: NONE

Date Received: 01-19-93 Date Due: NONE Control #: X92123118337

Subject & Date

O2-28-92 MEMO ADVISING THAT THE OFFICE OF LIAISON SERVICES HAS BEEN ASKED BY THE WHITE HOUSE TO TAKE A MORE ACTIVE ROLE IN OFFICIAL PRESIDENTIAL TRAVEL BY JOINING WITH OTHER FEDERAL AGENCIES IN PROVIDING STAFF SUPPORT TO THE TRAVEL TEAMS OF THE OFFICE OF PRESIDENTIAL ADVANCE, W/ATTACHMENT.

	Referred To:	Date:		Referred	To:	Date:	
(1)	OAG; FILES	01-25-93	(5)				W/IN:
(2)			(6)				
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Remarks

EXEC. SEC. REC'D FROM OAG/LEVIN ON 01-19-93 FOR CONTROLLING PURPOSES.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF LIAISON SERVICES



U.S. Department of Justice



Office of Liaison Services

Director

Washington, D.C. 20530

February 28, 1992

MEMORANDUM FOR WILLIAM P. BARR

ATTORNEY GENERAL

FROM:

WILLIAM LUCAS W

DIRECTOR

SUBJECT:

WHITE HOUSE PRESIDENTIAL ADVANCE

The Office of Liaison Services (OLS) has been asked by the White House to take a more active role in official Presidential travel by joining with other federal agencies in providing staff support to the travel teams of the Office of Presidential Advance. This request is in addition to OLS's current role of providing the White House with briefing materials for the President's domestic trips.

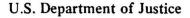
The Department's Office of Legal Counsel has determined that there are no legal or ethical conflicts related to OLS staff advancing official Presidential travel. Requests for an employee to participate in a Presidential trip will be reviewed on an individual basis to ensure that an employee's absence will not have an adverse impact on work operations or activities in the Office of Liaison Services.

The White House pays all travel-related expenses incurred by a federal employee in advancing a Presidential trip, including transportation, hotel costs, and per diem. This presents OLS staff with new opportunities to continue the personal contact with constituencies that are so important to the Department's and Administration's initiatives.

From the states of Florida, Illinois, Massachusetts, and New Mexico, professional staff in OLS represent four major political regions of the country. They each have a knowledge of state and local government issues and have developed good contacts in their respective state regions. Each a White House appointee, they understand the importance and dynamics of a Presidential trip.

Approve Disapprove







Office of Legal Counsel

Office of the Assistant Attorney General

Washington, D.C. 20530

MEMORANDUM FOR WILLIAM LUCAS Director Office of Liaison Services

You have asked whether you and your assistant may do "advance work" in preparation for official visits by the President, even if that work has an incidental benefit for the President's campaign. On the facts as we understand them, we believe that you and your assistant may do this work.

As we understand the facts, you and your assistant in the Office of Liaison Services plan to do "advance work," which will consist of disseminating information about the Department's programs and activities, in preparation for public appearances by the President. The public appearances in question will be official, rather than political, but may be made in connection with other political engagements and presumably will have incidental benefits for the President's reelection campaign. You and your assistant will be doing only the official work of the Department and not of any other agency in the government.

On these facts, we believe that you and your assistant may do the contemplated "advance work." Because the two of you will be doing only the work of the Department, there will be no augmentation of the appropriation to any other agency. See 31 U.S.C. §§ 1341-42. Furthermore, because your work will be within your usual responsibilities at the Department and will be in support of official visits by the President, you will not be taking an active part in a political campaign or using your official authority to affect the result of the election. See 5 U.S.C. § 7324(a)(1) & (2). Your work may have an incidental benefit for the President's campaign, but such a benefit will accrue to any incumbent, running for reelection, whose subordinates in the Executive Branch are performing their duties well. The duties of officials in the Executive Branch include,



FOIA # 60048 (URTS 16452) DocId: 70106620 Page 5 NARA-18-1003-A-002881 of course, preparing for the official travel of the President and informing the public about what the government is doing.

Please let us know if we can be of further assistance.

Timothy E. Flanigan

Acting Assistant Attorney General
Office of Legal Counsel

OFFICE OF MANAGEMENT AND BUDGET 1992 OMB

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CONTROL	NUMBER:_	92011300506
	FITCKINGER	HARRY H

PRIMARY	FILE	: _	SENIOR	EXECUTIVE	SERVICE	(SES)	
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CONTROL	NUMBER:_	92030503690
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DARMAN, RICHARD, Dir-OMB

PRIMARY	FILE:	SEN.	IOR 1	EXECUTIVE	SERVICE
		3	MAR	92	



OMB

DOJ EXECUTIVE SECRETARIAT CROSS-REFERENCE RECORD



CONTROI.	NUMBER:	92032304657
CONTROL	NUMBER.	

DARMAN, RICHARD, Dir-OMB

PRIMARY	FILE:	BUDGI	ET/FEDERAL
	23	MAR	92





CONTROL	NUMBER:_	92032504764
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BRADY, NICHOLAS F., Sec-Treasury

PRIMARY	FILE:	DRUG	ENI	FORCEMENT	ADMINISTRATION GENERAL
		23	MAR	92	





CONTROL	NUMBER:	92040205306
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DARMAN, RICHARD, Dir-OMB

PRIMARY	FILE:	BUDGET/FEDERAL
	2 Apr	92



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: MAZUR, EDWARD J., OFFICE OF FED. FINANCIAL MGT., OMB

To: AG. ODD: NONE

Date Received: 05-14-92 Date Due: NONE Control #: X92051407578

Subject & Date

04-92 NOTE TRANSMITTING OMB'S FIRST FEDERAL FINANCIAL MANAGEMENT STATUS REPORT/5-YEAR PLAN SUBMISSION UNDER THE CHIEF FINANCIAL OFFICERS ACT.

Referred To: Referred To: Date: Date: (5)W/IN: (1)JMD; FLICKINGER 05-14-92 (2) (6)PRTY: (3)(7)(4) (8)1 OPR: INTERIM BY: DATE: Date Released: MAU Sig. For: JMD

Remarks
INFO CC WITHOUT ENCLOSURE: OAG, DAG, ASG.
(1) FOR INFORMATION, WITH ORIGINAL ENCLOSURE.

Other Remarks:

KMM 5/14/92

FILE: OFFICE OF MANAGEMENT AND BUDGET

J920514 1881

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EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

April 1992

OMB's first Federal Financial Management Status Report/5-Year Plan submission under the Chief Financial Officers Act is attached with my compliments.

Edward J. Mazur
| VIII VI 30038 30 1 Friendral Management

TS: OIA DI YAM Se.

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FEDERAL FINANCIAL MANAGEMENT STATUS REPORT AND 5-YEAR PLAN

APRIL 1992



OFFICE OF MANAGEMENT AND BUDGET

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SCHOENBERG, MARK G

30	APRIL	1992		
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OPR:

MAU

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

MACRAE, JAMES B., JR., OFC. OF INFO./REGULATORY AFFAIRS, OMB DEPT. & AGENCY HEADS IN REGULATORY PROGRAM To: ODD: 06-05-92 05-22-92 Date Due: 06-05-92 Control #: X92052207986 Date Received: Subject & Date 05-13-92 MEMO CONCERNING THE PRESIDENT'S JANUARY 28, 1992, MEMO REGARDING REGULATORY REFORM. ADVISES THAT CERTAIN AGENCIES HAVE SUBMITTED DRAFT REGULATORY PROGRAMS TO OMB'S OFFICE OF INFORMATION AND REGULATORY AFFAIRS (OIRA), WHILE MANY HAVE BEEN DELAYED WHILE DEPARTMENTS UNDERTOOK THE REVIEWS ASSOCIATED WITH THE 90-DAY MORITORIUM. REQUESTS THAT EACH AGENCY SUBMIT, OR UPDATE, THEIR REGULATORY THE PROGRAMS SHOULD REFLECT ** PROGRAMS BY JUNE 5, 1992. Referred To: Date: Referred To: Date: (1)ATR; JAMES 05-22-92 (5)W/IN: (2)(6)(3)(7)PRTY: (4)(8)

DATE:

Date Released: 08-14-92

Remarks

** THE REVIEWS AND INITIATIVES RESULTING FROM THE 90-DAY MORATORIUM, WHICH THE PRESIDENT, IN HIS RECENT APRIL 29, 1992 MEMO, REQUESTED EACH AGENCY TO IMPLEMENT DURING THE NEXT 120 DAYS.

(SEE EXEC. SEC. 92012901471(9) & 92050106765 - CONTROL SHEETS ATTACHED.)
INFO CC: OAG, DAG, ASG, OPC.

Other Remarks:

INTERIM BY:

AG.

Sig. For:

(1) PREPARE RESPONSE FOR AG SIGNATURE. RETURN THRU EXEC. SEC., ROOM 4400-AA, FOR TRANSMITTAL TO THE AG. 08-11-92 PROVIDED A COPY TO ATR/LINDIA. KGM 08-14-92: PER ATR/LINDIA, OPD/ERIC REED HANDLED BY PHONE.HR

OLA CONTACT:

5-22-92 TO JRH

FILE: OFFICE OF MANAGEMENT AND BUDGET

CROSS REFERENCES:

1. REGULATIONS

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

May 13, 1992

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS PARTICIPATING THE DECLEDANCE FOR THE PROPERTY AND AGENCY HEADS PARTICIPATING

IN THE REGULATORY PROGRAM

FROM:

James B. MacRae, Jr. Acting Administrator and Deputy Administrator Office of Information and Regulatory Affairs

SUBJECT:

Regulatory Program

In OMB Bulletin No. 92-03, Director Darman requested that you submit drafts of your 1992 Regulatory Program to OMB's Office of Information and Regulatory Affairs (OIRA) by February 10, 1992. On January 28, 1992, the President instituted a 90-day regulatory moratorium, requesting that certain departments and agencies use this time "to evaluate existing regulations and programs and to identify and accelerate action on initiatives that will eliminate any unnecessary regulatory burden or otherwise promote economic growth." While certain agencies have submitted draft Regulatory Programs to OIRA, many have been delayed while departments undertook the reviews associated with the moratorium.

We are now requesting that you submit, or update, your Regulatory Programs by June 5, 1992. Your Programs, including those that have already been submitted, should reflect the reviews and initiatives resulting from the 90-day moratorium, which the President, in his recent April 29, 1992 memorandum to you, requested that you implement during the next 120 days.

I would like to remind you that Bulletin 92-03 requires data for "Currently Projected Costs and Benefits" for Regulatory Program entries (Part B, Section F). Estimated costs and benefits of major final rules to be published during calendar year 1992 were published in Table 17-3 of this year's Budget of the United States Government. This data should be updated to reflect the results of the 90-day moratorium, as well as extended to include the Regulatory Program Year, which ends on March 31, 1993. While such data is most important for major rules, it should be provided for all Regulatory Program entries.

Thank you for your help in submitting your Regulatory Programs as soon as possible. If you or your staffs have questions about the Program please call me or the appropriate desk officer.





CONTROL NUMBER: 92111716631

SESSIONS, WILLIAM S., Director FBI

PRIMAR	Y FI	LE:	TELECOMMUNICATIONS/Wiretapping
26	MAY	92	



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: MACRAE, JAMES B., JR., INFORMATION & REGULATORY AFFAIRS, OMB To: REGULATORY CONTACTS AT EXECUTIVE DEPTS. (AG.) ODD: 08-21-92 Date Received: 06-12-92 Date Due: 08-21-92 Control #: X92061509086 Subject & Date 06-11-92 MEMO DESCRIBING GUIDELINES AND PROCEDURES FOR

06-11-92 MEMO DESCRIBING GUIDELINES AND PROCEDURES FOR PUBLISHING THE OCTOBER 1992 "UNIFIED AGENDA OF FEDERAL REGULATIONS," WITH ATTACHMENT. ADVISES THAT IT IS IMPORTANT THAT AGENCIES MEET THE AUGUST 21, 1992, SUBMISSION DATE.

(SEE EXEC. SEC. 92050106765 & 92012901471(9) CONTROL SHEETS ATTACHED.)

	Referred To:	: Date:		Referred	To:	Date:	
(1)	OPC; MCNULTY	06-15-92	(5)				W/IN:
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(4)			(8)				1
	INTERIM BY:			DATE:			OPR:
	Sig. For:	OPC		Date Rele	eased:	10-09-92	CYN

Remarks

INFO CC: OAG, DAG, ASG, ATR.

(1) FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ACTION TAKEN.

10-09-92 OPD REPLIED BY LETTER DATED 09-17-92. (TJ)

Other Remarks:

OLA CONTACT: JRH 6/16/92

FILE: OFFICE OF MANAGEMENT AND BUDGET

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





U.S. Department of Justice

Office of Policy and Communications

Office of Policy Development

Office of the Director

Washington, D.C. 20530

September 17, 1992

Regulatory Information Service Center Suite 500 750 17th Street, N.W. Washington, D.C. 20006

TO WHOM IT MAY CONCERN:

Our staff has entered data for the October 1992 semiannual agenda into the Regulatory Information System using our own computer terminals.

We certify that as of September 8, 1992, this data is correct, and the enclosed materials accurately reflect the information in our data base as of today. We authorize the Center to combine the data to be printed as part of the October 1992 Unified Agenda.

If we have any changes to our data after this date, we will make them by notifying the staff of the Center by phone or in writing, and have Center staff make the updates or changes we request.

Sincerely,

Steven R. Schlesinger

Director





Washington, D.C. 20530

September 19, 1992

Office of Federal Register Washington, D.C. 20408

TO WHOM IT MAY CONCERN:

As Federal Register Liaison Officer, I authorize the Regulatory Information Service Center to assemble the enclosed signed preamble (original and two certified copies) with the computer printout of our regulatory agenda for submission to the Office of the Federal Register for publication in the Unified Agenda of Federal Regulations.

I also authorize the Government Printing Office to bill the Department of Justice for printing our agenda using Billing Code 9A090101.

Sincerely,

Jeffrey K. Shapiro

Attorney Advisor

Office of Legal Counsel

thy 1 Shape



Billing Code 9A090101

DEPARTMENT OF JUSTICE

8 CFR Ch. I

21 CFR Ch. I

28 CFR Ch. I

Regulatory Agenda

AGENCY: Department of Justice.

ACTION: Regulatory agenda.

SUMMARY: The Department of Justice is publishing its October 1992 regulatory agenda pursuant to Executive Order No. 12291, "Federal Regulation," 3 CFR part 127 (1981 Compilation) and the Regulatory Flexibility Act, 5 USCA sections 601-612 (West 1984).

FOR FURTHER INFORMATION CONTACT: Erik Reid, Office of Policy Development, Department of Justice, Room 4248, 10th and Constitution Ave., NW, Washington, DC 20530 (202) 514-2456.

Dated: September 8, 1992

Steven R. Schlesinger,

Director, Office of Policy Development.





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

FIN 1 1 1992

DEPARTLEY OF AUCT.

MEMORANDUM FOR REGULATORY CONTACTS AT EXECUTIVE DEPARTMENTS JUN 12 P4:30

FROM:

James B. MacRae, Jr. CMM
Acting Administrator
and Deputy Administrator
Office of Information and
Regulatory Affairs

ENECUTIVE SECTED AND

SUBJECT:

October 1992 Unified Agenda of Federal Regulations

This memorandum describes guidelines and procedures for publishing the October 1992 <u>Unified Agenda of Federal Regulations</u> (see Attachment 1).

The April edition of the Unified Agenda was prepared during President Bush's 90-day moratorium on new regulations. The President had asked agencies "to evaluate existing regulations and programs and to identify and accelerate action on initiatives that will eliminate any unnecessary regulatory burden or otherwise promote economic growth." He also asked agencies to report to him at the end of the 90 days and "indicate the regulatory changes recommended or made during the review period and the potential savings to the economy of those changes...." Because agencies were reviewing their regulations at the same time they were developing their submissions for the April edition, the Unified Agenda contained few, and for some agencies no, new regulatory initiatives.

On April 29th, the President asked agencies, during the next 120 days, to implement the reforms they identified during the moratorium. In addition, he asked agencies "to adhere to the moratorium as described in [his] January 28 memorandum."

As agencies prepare submissions for the October edition of the Unified Agenda, they should bear in mind the goals of the President's program and ensure that any new entries reported in the October edition reflect the reviews they conducted and the reform efforts they have identified in their reports to the President.

Agencies are asked to revise the computer printouts (Update Documents) of the information that appeared in the April 1992 Agenda and prepare "Regulatory Information Data Forms" for new items that did not appear in their previous agendas, including actions that began and ended between issues of the Agenda.



The Unified Agenda continues to help fulfill the statutory requirement for the <u>Procurement Regulatory Activity Report</u>, pursuant to the Office of Federal Procurement Policy Act Amendments of 1988 (41 U.S.C. 402). There are no changes in the requirements for publishing the agenda.

All the materials you need to prepare your agenda are attached. Please remember to send us an original and two certified copies (or three originals) of your preamble and a letter (sample attached) authorizing the printing of the Agenda.

It is important that agencies meet the August 21, 1992, submission date. Late submissions could jeopardize agenda publication to the detriment of those agencies that submit on time. We may not be able to make any changes submitted to us by agencies after that date; therefore, please make sure your submission is accurate and complete as of that date.

It is also important that you provide in the Timetable section an estimated date for the "Next Action" -- the first action scheduled to occur after October 1, 1992. The entries for the Agenda will be sorted by agency and then into four categories according to their stage of rulemaking: Prerule, Proposed, Final, and Completed Actions. The computer will do this automatically, placing each entry according to the Next Action you provide. Please note that, for entries containing them, you must indicate the stage of rulemaking for Supplemental Actions (11a) in order for these entries to be sorted properly.

Questions regarding the content of agency agendas may be directed to the appropriate desk officer in the Office of Information and Regulatory Affairs, OMB. Questions regarding the OFPP report may be directed to the Office of Federal Procurement Policy, Room 9013, New Executive Office Building, Washington, DC 20503, (202) 395-6810. Requests for additional materials and questions regarding production of agendas may be directed to the Regulatory Information Service Center, Suite 500, 750 17th Street NW., Washington, DC 20006, (202) 634-6220.

Attachments

cc:

Heads of Executive Departments and Establishments Senior Regulatory Officials at Certain Departments and Agencies



Guidelines and Procedures for the October 1992 Unified Agenda of Federal Regulations

Background. The Unified Agenda of Federal Regulations is published semiannually under the authority of section 5 of Executive Order No. 12291 (Federal Regulation). In addition, the Agenda furthers the purposes of the Regulatory Flexibility Act (94 Stat. 1167; 5 U.S.C. 605). The Agenda also helps fulfill the requirement for a Procurement Regulatory Activity Report as required by the Office of Federal Procurement Policy Act Amendments of 1988 (OFPP Act) (102 Stat. 4055; 41 U.S.C. 402).

Coverage. The requirement to publish an Agenda applies to all executive departments and establishments subject to Executive Order No. 12291 and the OFPP Act. Those departments and establishments not subject to the Executive order or the OFPP Act are asked to follow the provisions of this memorandum on a voluntary basis in order to further the purposes set forth above.

Scope of the Unified Agenda.

- a. Regulatory agendas scheduled for publication in October 1992 shall describe all Significant and Other Rulemaking Actions that the agency expects to conduct or review during the 12 months following publication. This includes, at a minimum, any plans to publish or otherwise implement an Advance Notice of Proposed Rulemaking, a Notice of Proposed Rulemaking, or a Final Rule. This also includes any plans to conduct a review pursuant to 5 U.S.C. 610 or section 3(i) of Executive Order No. 12291. An agency need not include in its regulatory agenda those rulemaking actions that are excluded by section 1(a) of Executive Order No. 12291. Also, an agency need not include any additional rulemaking actions that OMB has agreed may be omitted.
- b. The Office of Management and Budget has determined that the data required for the <u>Procurement Regulatory Activity Report</u> should be included with the information collected for the Unified Agenda. The information provided by agencies for the Unified Agenda will be used by OFPP to produce this Report, thereby eliminating duplicate reporting requirements. Agency submissions of procurement-related regulatory actions must include information on all actions that are covered by section 22 of the OFPP Act. These submissions must also include all other actions that will result in a change in or addition to the Federal Acquisition Regulation (FAR) System (FAR and FAR supplements).

Structure of the Unified Agenda. The Unified Agenda will be structured as follows:



- a. Rulemaking actions will be grouped by agency and then by subagency.
- b. Within each agency grouping, rulemaking actions will be grouped according to the next regulatory action that the agency expects to take during the succeeding year. These groupings will be: (1) Prerulemaking Actions; (2) publication or other implementation of Notices of Proposed Rulemaking; (3) publication or other implementation of Final Rules; and (4) Completed Actions.

<u>Publication of the Unified Agenda of Federal Regulations for October 1992.</u>

- a. Agencies shall publish their respective portions of the October 1992 Unified Agenda in a uniform format. Agencies and commissions not subject to Executive Order No. 12291 are urged to use the uniform format for their regulatory agendas.
- b. Agencies shall submit the applicable forms and other documents to the Office of Management and Budget, Office of Information and Regulatory Affairs.

Applicable forms are (1) Agenda Update Documents (which are the computer printouts provided by OMB) and (2), for new regulatory actions, the Regulatory Information Data Form (one copy).

Each agency shall also submit <u>one signed original</u> and <u>two</u> <u>certified copies</u> of its preamble to its regulatory agenda. (Please note that the signature must be that of the person whose name and title appears below. One person may not sign for another person.) The preamble shall meet the normal requirements for printing in the <u>Federal Register</u>, including the agency's billing code and a list of CFR parts affected.

Each agency shall submit to OMB a letter addressed to the Office of the Federal Register authorizing the Regulatory Information Service Center (the Center) to assemble the agency's agenda and authorizing the Government Printing Office (GPO) to bill the agency for printing its portion of the October 1992 Unified Agenda. An agency entering its own data into the Center's computer must certify that a paper copy of the data is correct.

c. OMB will ensure that all agency agendas are compiled and forwarded as one package to the Office of the Federal Register, which will have the GPO print them in a single day's issue of the Federal Register. Each agency will be able to obtain reprint copies of its individual agenda through the GPO procurement process.



<u>Submission Date</u>. Agencies must submit all completed agenda materials not later than August 21, 1992, to: Office of Management and Budget, Office of Information and Regulatory Affairs, Room 3236, New Executive Office Building, Washington, DC 20503.

<u>Further Information</u>. For further information on the requirements of this memorandum, contact your agency's desk officer in the Office of Information and Regulatory Affairs (OIRA), OMB.

For further information concerning the OFPP report, contact: Office of Federal Procurement Policy, OMB; telephone (202) 395-6810.

For further information concerning automated agenda production, information requirements, format, completion, or submission of agency agendas, contact: Regulatory Information Service Center; telephone (202) 634-6220.



BURMAN, ALLAN V., OFFICE OF FEDERAL PROCUREMENT POLICY, OMB From: To: HEADS OF EXEC. AGENCIES & DEPTS. (AG.) ODD: NONE Date Received: 06-30-92

Date Due: NONE

Control #: X92070109934

Subject & Date

06-24-92 MEMO (POLICY LETTER NO. 92-3) TO ESTABLISH A GOVERNMENT-WIDE STANDARD AND ASSOCIATED POLICIES FOR SKILL-BASED TRAINING IN PERFORMING CONTRACTING AND PURCHASING IT ESTABLISHES A STANDARD FOR PROCUREMENT SYSTEMS DUTIES. WHICH INCLUDES THE PROFESSIONAL DEVELOPMENT OF PROCUREMENT PERSONNEL. HEADS OF AGENCIES SHALL ENSURE THAT THE PROCUREMENT CAREER MANAGEMENT PROGRAM IS ESTABLISHED AND IMPLEMENTED AND INITIATE ANY NECESSARY STAFF TRAINING **

Referred To: Referred To: Date: JMD; FLICKINGER 07-01-92 (5)W/IN: (1)(2) (6)PRTY: (3)(7)(4)(8)1 DATE: OPR: INTERIM BY: Sig. For: JMD Date Released: EHZ

Remarks

** UPON THE EFFECTIVE DATE OF THIS POLICY LETTER, 30 DAYS AFTER THE DATE OF ISSUANCE.

INFO CC: OAG, DAG, ASG. (1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF MANAGEMENT AND BUDGET J920701 2605

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY *******************************





OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

June 24, 1992

192 ,314 30 94:10

POLICY LETTER NO. 92-3

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT:

Procurement Professionalism Program Policy - Training for Contracting Personnel

- 1. <u>Purpose</u>. To establish a Government-wide standard and associated policies for skill-based training in performing contracting and purchasing duties.
- 2. <u>Authority</u>. This Policy Letter is issued pursuant to Section 6(a) of the Office of Federal Procurement Policy (OFPP) Act [Public Law 93-400], as amended, (41 U.S.C. 405(a)). It establishes a standard for procurement systems (which includes the professional development of procurement personnel) under the authority of Section 6(d)(2) of the OFPP Act, as amended, (41 U.S.C. 405(d)(2)).
- 3. <u>Background</u>. The quality of contracting actions depends largely on the professional skills of the Government procurement workforce to help meet agency mission needs. Improved management will help ensure Government interests are effectively represented within a changing legislative and regulatory environment.

In July 1990, this office established an inter-agency group to develop a detailed Procurement Professionalism Plan for agencies to identify a comprehensive program of workforce improvement. Four subgroups devised recommended actions on the recruitment, training, retention and the evaluation of performance of the procurement workforce. The Defense Systems Management College led the training subgroup, which identified several opportunities for improvement and efficiencies when coupled with an enhanced Federal Acquisition Institute (FAI).

Among other things, the training subgroup strongly recommended competency based education for Federal contracting and purchasing personnel. Competency-based education refers to programs that provide an opportunity for the trainee to develop and demonstrate an appropriate level of skill (given the characteristics of the agency's overall mission) at performing a duty. The training subgroup recommendations were used in formulating this policy.



This Policy Letter establishes a standard set of contracting competencies after repeated and extensive coordination with Executive agencies through the FAI. The FAI conducted Government-wide research from 1977 to 1979 to identify contract management tasks. The survey used had a very high participation rate of almost half of all contract specialists in all Executive agencies at the time. the period 1980 - 1985, FAI worked with representatives of Procurement Executives to select duties and tasks for training. The selected duties collectively constitute the body of Contracting "competencies." Subsequently, the FAI developed "Units of Instruction" for core competencies, each of which is a blueprint for training one of the selected duties both in the classroom and on-the-job. In 1992, the FAI published these "Units of Instruction" under the title Contract Specialist Workbook. The 1992 edition covers almost 80 duties (see Attachment 1 for a summary list) and more than 800 related tasks. Every contracting official in the Federal Government is expected to attain an appropriate level of skill (refer to Attachment 1) at performing all contracting competencies identified by FAI. However, agencies may modify this standard by assigning levels of learning commensurate with agency needs and adding agencylevel competencies.

- 4. <u>Policy</u>. Heads of Executive Departments and Agencies shall ensure that the procurement career management program required under Section 16 of the OFPP Act (41 U.S.C. 414(4)):
 - a. Requires personnel in the contracting occupational series (General Schedule Series 1102), and uniformed personnel in comparable positions, to complete course work and related on-the-job training necessary to attain an appropriate level of skill (given the unique missions, policies and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook. These may be supplemented with additional contracting duties and tasks by the agency head. Alternative means may be used for these individuals to demonstrate their competence to perform required duties (e.g. through practicums, equivalency examinations, or managerial reviews of an individual's current level of skill in each duty);
 - b. Requires civilian and uniformed personnel appointed under Section 1.6 of the Federal Acquisition Regulation (FAR) as contracting officers with authority to award or administer contracts above the small purchase threshold to complete course work and related on-the-job training necessary to attain an appropriate level



of skill (given the unique missions, policies, and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook, or otherwise demonstrate their competence to perform those duties through alternative means;

- Requires personnel in the purchasing occupational series (General Schedule Series 1105), other civilian and uniformed personnel performing purchasing duties, and individuals with contracting authority at or under the small purchase threshold, or with authority to place delivery orders at any dollar level, to complete training in duties related to making small purchases under FAR Part 13 and placing delivery orders;
- d. Provides for a system for certifying and reporting the completion of all required courses and on-the-job training;
- e. Encourages self-development activities of contracting personnel to stay current with the acquisition knowledge base for professional growth throughout their careers, and
- f. Directs the Senior Procurement Executive to designate a procurement career manager with authority for agencywide policy and oversight responsibility for the procurement career management program, including authority and responsibility for working in cooperation with other agencies through the FAI to make the most effective and efficient use of existing instructional material or facilities and minimize duplication of effort in the development and delivery of training and education.
- Implementation. The FAI is developing instructional materials in the contracting competencies to support comprehensive training in formal classroom settings as well as at the work site and through on-the-job training. FAI training courses now available or under development include "Introduction to Contracting," "Procurement Planning," "Sealed Bidding," "Negotiation Process," "Price Analysis," "Cost Analysis," "Advanced Cost or Price Analysis," "Basic Contract Administration," "Construction Contracting," "Contracting for Federal Information Processing Resources," and "Source Selection." These courses will be offered by the General Services Administration Interagency Training Center.

As courses are completed, the FAI will provide the instructional materials for that course (in hard copy or



electronic forms) to agencies for incorporation (in whole or in part, with any necessary agency-specific tailoring) in their respective courses. An agency may modify the <u>Contract Specialist Workbook</u>, and associated FAI instructional materials, to reflect the unique missions, policies and workload of the agency.

The Director of FAI shall further assist agency training programs through the following actions:

- Maintain the <u>Contract Specialist Workbook</u> as a Government-wide standard for the professional development of contracting personnel, and distribute copies to Procurement Executives.
- Recommend minimum Government-wide training requirements and goals to the Administrator, OFPP.
- Assist agencies, and encourage cooperation among agencies, in the development of instructional materials to implement the training requirements of Section 4 above.
- Advise the Administrator, OFPP, on the effectiveness of Federal training programs to develop competence in the performance of acquisition-related duties and tasks.
- Establish joint programs with other Federal procurement training facilities or contracting activities under Section 4103 of Title 5, United States Code, to help Federal agencies implement provisions of this Policy Letter.
- Assist colleges and universities in establishing procurement and acquisition courses as part of continuing education, associate, baccalaureate, and graduate programs.
- Review the acquisition courses of colleges and universities, identify and document the levels of learning attained in contracting duties and tasks, and recommend academic courses to Procurement Executives that may be substituted for Government training in those duties and tasks.
- 6. Reporting Requirements. Within 90 days of the effective date of this Policy Letter, the Senior Procurement Executive of each agency is to advise the Administrator, OFPP, of the agency's procurement career management program required by 41 U.S.C.414(4) and implementing Section 4 of this letter, including:



- (1) a description of the agency's plan for prescribing and providing the training required;
- (2) a description of actions taken or planned to assess the extent to which training courses now provide, or will provide, skill training in the Units of Instruction of the FAI Contract Specialist Workbook, including the level of skill in each Contract Management duty that the training will be designed to attain;
- (3) a description of the agency's system for certifying and reporting the completion of training requirements, and
- (4) the name and position of the individual designated under Section 4.f. above.

Periodic reports on the procurement career management program may be requested by the Administrator, OFPP, thereafter.

- 7. Federal Acquisition Regulation (FAR) Councils. The Defense Acquisition Regulatory Council and the Civilian Agency Acquisition Council shall conduct a thorough review of the relevant parts of the FAR to (1) assure that no unintended encumbrances to this Policy Letter are contained therein, and (2) that the policies established by this Policy Letter are fully reflected in the FAR within 210 days of the effective date of this Policy Letter. Issuance of final regulations within this 210-day period shall be considered issuance "in a timely manner" as prescribed in 41 U.S.C. § 405(b).
- 8. <u>Judicial Review</u>. This Policy Letter is not intended to provide a constitutional or statutory interpretation of any kind, and it is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person. It is intended only to provide policy guidance to agencies in the exercise of their discretion concerning Federal contracting. Thus, this Policy Letter is not intended, and should not be construed, to create any substantive or procedural basis on which to challenge any agency action or inaction on the ground that such action or inaction was not in accordance with this Policy Letter.
- 9. <u>Effective Date</u>. This Policy Letter is effective 30 days after the date of issuance.



10. <u>Information</u>. Questions or inquires about this Policy Letter should be directed to Mr. Wayne Wittig, Deputy Associate Administrator, OFPP, 725 17th Street, NW, Washington, DC 20503, telephone (202) 395-6803.

Allan V. Burman Administrator

Attachment

SUMMARY LIST OF CONTRACTING DUTIES

PRESOLICITATION PHASE

SOURCING DETERMINATION INITIATING THE **ANALYSIS OF** OF NEED **PROCUREMENT** REQUIREMENT Determining Needs Processing the PR Analyzing Require-**Extent of Competition** ments 1. Forecasting Require-3. Purchase Requests 9. Sources Specifications 4. Funding 10. Set-Asides Statements of Work 2. Acquisition Planning Market Research 11. 8(a) Procurements Services 12. Competition Require-5. Market Research ments 13. Unsolicited Proposals **Selection Factors** 14. Lease vs. Purchase 15. Price Related Factors 16. Technical Evaluation **Factors** Method and Plan for the **Procurement**

SOLICITATION-AWARD PHASE

Terms and Conditions 19. Contract Types 20. Letter Contracts 21. Contract Financing 22. Use of Government Property and Supply Sources 23. Need For Bonds 24. Solicitation Preparation Soliciting Offers 25. Publicizing Proposed Procurements 26. Preaward Inquiries 27. Prebid/Preproposal Conferences 28. Amending Solicitations 29. Cancelling Solicitations	EVALUATION—NEGOTIATION Proposal Evaluation 35. Processing Proposals 36. Technical Evaluation 37. Price Objectives 38. Cost and Pricing Data 39. Audits 40. Cost Analysis 41. Evaluating Other Terms and Conditions 42. Competitive Range Discussions 43. Factfinding 44. Negotiation Strategy 45. Conducting Negotiations	Selection for Award 46. Mistakes in Offers 47. Responsibility 48. Subcontracting Requirements 49. Preparing Awards Executing Awards 50. Award 51. Debriefing Protests 52. Protests Fraud and Exclusion 53. Fraud and Exclusion
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17. Method of Procurement18. Procurement Planning

SUMMARY LIST OF CONTRACTING DUTIES

POST-AWARD ADMINISTRATION PHASE

START-UP Planning	QUALITY ASSURANCE Monitoring and Problem Solving	PAYMENT & ACCOUNTING Payment	MODIFICATIONS, CLOSEOUT, TERM- INATION, & CLAIMS Closeout
 54. Contract Administration Planning 55. Post-Award Orientations Ordering 56. Ordering Against Contracts and Agreements Subcontracting 57. Consent to Subcontracts 	 58. Monitoring, Inspection, and Acceptance 59. Delays 60. Stop Work 61. Remedies Property 62. Property Administration Reporting Performance Problems 63. Reporting Performance Problems 	 64. Limitation of Costs 65. Payment 66. Unallowable Costs 67. Assignment of Claims 68. Collecting Contractor Debts 69. Progress Payments 70. Price and Fee Adjustments Accounting 71. Accounting and Cost Estimating Systems 72. Cost Accounting Standards 73. Defective Pricing 	74. Closeout Modifications/Options 75. Contract Modifications Termination 76. Termination 77. Bonds Claims 78. Claims

SKILL LEVELS

1 Knowledge	Define the duty. Describe its purpose and the standard(s) for performance. Explain when this duty is performed. Test recall of this information.
2 Comprehension	Present both the duty (definition, purpose, standards, and when performed) and every step in accomplishing the duty. Provide information to perform each step, without actually having trainee apply information. Test for comprehension.
3 Application	Present both the duty (definition, purpose, standards, and when performed) and every step in accomplishing the duty. Provide information to perform each step. Through simulations and other such exercises, require trainee to perform those steps necessary to evaluate the trainee's ability to perform the duty.
4 Analysis	Review the duty and steps in performance. Have trainee solve more complex problems than at application level.





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OFFICE OF FEDERAL PROCUREMENT POLICY

June 24, 1992

POLICY LETTER NO. 92-3

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT:

Procurement Professionalism Program Policy - Training for Contracting Personnel

- 1. <u>Purpose</u>. To establish a Government-wide standard and associated policies for skill-based training in performing contracting and purchasing duties.
- 2. <u>Authority</u>. This Policy Letter is issued pursuant to Section 6(a) of the Office of Federal Procurement Policy (OFPP) Act [Public Law 93-400], as amended, (41 U.S.C. 405(a)). It establishes a standard for procurement systems (which includes the professional development of procurement personnel) under the authority of Section 6(d)(2) of the OFPP Act, as amended, (41 U.S.C. 405(d)(2)).
- 3. <u>Background</u>. The quality of contracting actions depends largely on the professional skills of the Government procurement workforce to help meet agency mission needs. Improved management will help ensure Government interests are effectively represented within a changing legislative and regulatory environment.

In July 1990, this office established an inter-agency group to develop a detailed Procurement Professionalism Plan for agencies to identify a comprehensive program of workforce improvement. Four subgroups devised recommended actions on the recruitment, training, retention and the evaluation of performance of the procurement workforce. The Defense Systems Management College led the training subgroup, which identified several opportunities for improvement and efficiencies when coupled with an enhanced Federal Acquisition Institute (FAI).

Among other things, the training subgroup strongly recommended competency based education for Federal contracting and purchasing personnel. Competency-based education refers to programs that provide an opportunity for the trainee to develop and demonstrate an appropriate level of skill (given the characteristics of the agency's overall mission) at performing a duty. The training subgroup recommendations were used in formulating this policy.



This Policy Letter establishes a standard set of contracting competencies after repeated and extensive coordination with Executive agencies through the FAI. The FAI conducted Government-wide research from 1977 to 1979 to identify contract management tasks. The survey used had a very high participation rate of almost half of all contract specialists in all Executive agencies at the time. the period 1980 - 1985, FAI worked with representatives of Procurement Executives to select duties and tasks for The selected duties collectively constitute the training. body of Contracting "competencies." Subsequently, the FAI developed "Units of Instruction" for core competencies, each of which is a blueprint for training one of the selected duties both in the classroom and on-the-job. In 1992, the FAI published these "Units of Instruction" under the title Contract Specialist Workbook. The 1992 edition covers almost 80 duties (see Attachment 1 for a summary list) and more than 800 related tasks. Every contracting official in the Federal Government is expected to attain an appropriate level of skill (refer to Attachment 1) at performing all contracting competencies identified by FAI. However, agencies may modify this standard by assigning levels of learning commensurate with agency needs and adding agencylevel competencies.

- 4. <u>Policy</u>. Heads of Executive Departments and Agencies shall ensure that the procurement career management program required under Section 16 of the OFPP Act (41 U.S.C. 414(4)):
 - a. Requires personnel in the contracting occupational series (General Schedule Series 1102), and uniformed personnel in comparable positions, to complete course work and related on-the-job training necessary to attain an appropriate level of skill (given the unique missions, policies and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook. These may be supplemented with additional contracting duties and tasks by the agency head. Alternative means may be used for these individuals to demonstrate their competence to perform required duties (e.g. through practicums, equivalency examinations, or managerial reviews of an individual's current level of skill in each duty);
 - b. Requires civilian and uniformed personnel appointed under Section 1.6 of the Federal Acquisition Regulation (FAR) as contracting officers with authority to award or administer contracts above the small purchase threshold to complete course work and related on-the-job training necessary to attain an appropriate level



of skill (given the unique missions, policies, and workload of the agency) in each Contract Management duty represented by a Unit of Instruction in the FAI Contract Specialist Workbook, or otherwise demonstrate their competence to perform those duties through alternative means;

- c. Requires personnel in the purchasing occupational series (General Schedule Series 1105), other civilian and uniformed personnel performing purchasing duties, and individuals with contracting authority at or under the small purchase threshold, or with authority to place delivery orders at any dollar level, to complete training in duties related to making small purchases under FAR Part 13 and placing delivery orders;
- d. Provides for a system for certifying and reporting the completion of all required courses and on-the-job training;
- e. Encourages self-development activities of contracting personnel to stay current with the acquisition knowledge base for professional growth throughout their careers, and
- f. Directs the Senior Procurement Executive to designate a procurement career manager with authority for agencywide policy and oversight responsibility for the procurement career management program, including authority and responsibility for working in cooperation with other agencies through the FAI to make the most effective and efficient use of existing instructional material or facilities and minimize duplication of effort in the development and delivery of training and education.
- Implementation. The FAI is developing instructional materials in the contracting competencies to support comprehensive training in formal classroom settings as well as at the work site and through on-the-job training. FAI training courses now available or under development include "Introduction to Contracting," "Procurement Planning," "Sealed Bidding," "Negotiation Process," "Price Analysis," "Cost Analysis," "Advanced Cost or Price Analysis," "Basic Contract Administration," "Construction Contracting," "Contracting for Federal Information Processing Resources," and "Source Selection." These courses will be offered by the General Services Administration Interagency Training Center.

As courses are completed, the FAI will provide the instructional materials for that course (in hard copy or



electronic forms) to agencies for incorporation (in whole or in part, with any necessary agency-specific tailoring) in their respective courses. An agency may modify the <u>Contract Specialist Workbook</u>, and associated FAI instructional materials, to reflect the unique missions, policies and workload of the agency.

The Director of FAI shall further assist agency training programs through the following actions:

- Maintain the <u>Contract Specialist Workbook</u> as a Government-wide standard for the professional development of contracting personnel, and distribute copies to Procurement Executives.
- Recommend minimum Government-wide training requirements and goals to the Administrator, OFPP.
- Assist agencies, and encourage cooperation among agencies, in the development of instructional materials to implement the training requirements of Section 4 above.
- Advise the Administrator, OFPP, on the effectiveness of Federal training programs to develop competence in the performance of acquisition-related duties and tasks.
- Establish joint programs with other Federal procurement training facilities or contracting activities under Section 4103 of Title 5, United States Code, to help Federal agencies implement provisions of this Policy Letter.
- Assist colleges and universities in establishing procurement and acquisition courses as part of continuing education, associate, baccalaureate, and graduate programs.
- Review the acquisition courses of colleges and universities, identify and document the levels of learning attained in contracting duties and tasks, and recommend academic courses to Procurement Executives that may be substituted for Government training in those duties and tasks.
- 6. Reporting Requirements. Within 90 days of the effective date of this Policy Letter, the Senior Procurement Executive of each agency is to advise the Administrator, OFPP, of the agency's procurement career management program required by 41 U.S.C.414(4) and implementing Section 4 of this letter, including:



- (1) a description of the agency's plan for prescribing and providing the training required;
- (2) a description of actions taken or planned to assess the extent to which training courses now provide, or will provide, skill training in the Units of Instruction of the FAI Contract Specialist Workbook, including the level of skill in each Contract Management duty that the training will be designed to attain;
- (3) a description of the agency's system for certifying and reporting the completion of training requirements, and
- (4) the name and position of the individual designated under Section 4.f. above.

Periodic reports on the procurement career management program may be requested by the Administrator, OFPP, thereafter.

- 7. Federal Acquisition Regulation (FAR) Councils. The Defense Acquisition Regulatory Council and the Civilian Agency Acquisition Council shall conduct a thorough review of the relevant parts of the FAR to (1) assure that no unintended encumbrances to this Policy Letter are contained therein, and (2) that the policies established by this Policy Letter are fully reflected in the FAR within 210 days of the effective date of this Policy Letter. Issuance of final regulations within this 210-day period shall be considered issuance "in a timely manner" as prescribed in 41 U.S.C. § 405(b).
- 8. <u>Judicial Review</u>. This Policy Letter is not intended to provide a constitutional or statutory interpretation of any kind, and it is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person. It is intended only to provide policy guidance to agencies in the exercise of their discretion concerning Federal contracting. Thus, this Policy Letter is not intended, and should not be construed, to create any substantive or procedural basis on which to challenge any agency action or inaction on the ground that such action or inaction was not in accordance with this Policy Letter.
- 9. <u>Effective Date</u>. This Policy Letter is effective 30 days after the date of issuance.



10. <u>Information</u>. Questions or inquires about this Policy Letter should be directed to Mr. Wayne Wittig, Deputy Associate Administrator, OFPP, 725 17th Street, NW, Washington, DC 20503, telephone (202) 395-6803.

Allan V. Burman Administrator

Attachment

SUMMARY LIST OF CONTRACTING DUTIES

PRESOLICITATION PHASE

SOURCING **DETERMINATION** INITIATING THE **ANALYSIS OF** OF NEED **PROCUREMENT** REQUIREMENT **Determining Needs** Processing the PR Analyzing Require-**Extent of Competition** ments 1. Forecasting Require-3. Purchase Requests 9. Sources 6. Specifications ments 4. Funding 10. Set-Asides 7. Statements of Work 2. Acquisition Planning 11. 8(a) Procurements Market Research Services 5. Market Research 12. Competition Requirements 13. Unsolicited Proposals **Selection Factors** 14. Lease vs. Purchase 15. Price Related Factors 16. Technical Evaluation **Factors** Method and Plan for the Procurement 17. Method of Procurement 18. Procurement Planning

SOLICITATION-AWARD PHASE

SOLICITATION	EVALUATION— SEALED BIDDING	EVALUATION— NEGOTIATION	AWARD
Terms and Conditions	Bid Evaluation	Proposal Evaluation	Selection for Award
 Contract Types Letter Contracts Contract Financing Use of Government Property and Supply Sources Need For Bonds Solicitation Preparation Publicizing Proposed Procurements Preaward Inquiries Prebid/Preproposal Conferences Amending Solicitations Cancelling Solicitations 	 30. Processing Bids 31. Bid Acceptance Periods 32. Late Offers 33. Bid Prices 34. Responsiveness 	 35. Processing Proposals 36. Technical Evaluation 37. Price Objectives 38. Cost and Pricing Data 39. Audits 40. Cost Analysis 41. Evaluating Other Terms and Conditions 42. Competitive Range Discussions 43. Factfinding 44. Negotiation Strategy 45. Conducting Negotiations 	 46. Mistakes in Offers 47. Responsibility 48. Subcontracting Requirements 49. Preparing Awards Executing Awards 50. Award 51. Debriefing Protests 52. Protests Fraud and Exclusion 53. Fraud and Exclusion



SUMMARY LIST OF CONTRACTING DUTIES

POST-AWARD ADMINISTRATION PHASE

START-UP	QUALITY ASSURANCE	PAYMENT & ACCOUNTING	MODIFICATIONS, CLOSEOUT, TERM- INATION, & CLAIMS
Planning 54. Contract Administration Planning 55. Post-Award Orientations Ordering 56. Ordering Against Contracts and Agreements Subcontracting 57. Consent to Subcontracts	Monitoring and Problem Solving 58. Monitoring, Inspection, and Acceptance 59. Delays 60. Stop Work 61. Remedies Property 62. Property Administration Reporting Performance Problems 63. Reporting Performance Problems	67. Assignment of Claims 68. Collecting Contractor Debts 69. Progress Payments 70. Price and Fee Adiustments	Closeout 74. Closeout Modifications/Options 75. Contract Modifications Termination 76. Termination 77. Bonds Claims 78. Claims

SKILL LEVELS

1 Knowledge	Define the duty. Describe its purpose and the standard(s) for performance. Explain when this duty is performed. Test recall of this information.
2 Comprehension	Present both the duty (definition, purpose, standards, and when performed) and every step in accomplishing the duty. Provide information to perform each step, without actually having trainee apply information. Test for comprehension.
3 Application	Present both the duty (definition, purpose, standards, and when performed) and every step in accomplishing the duty. Provide information to perform each step. Through simulations and other such exercises, require trainee to perform those steps necessary to evaluate the trainee's ability to perform the duty.
4 Analysis	Review the duty and steps in performance. Have trainee solve more complex problems than at application level.



MAU

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

HODSOLL, FRANK, DEPUTY DIRECTOR FOR MANAGEMENT, OMB To: DEPUTY SECRETARIES OF EXEC. DEPTS. (AG.) ODD: 12-31-92 Date Received: 08-24-92 Date Due: 12-31-92 Control #: X92082412597 Subject & Date 08-08-92 MEMO ATTACHING GUIDANCE TO BE USED BY AGENCIES IN PREPARING THEIR 1992 FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA) REPORT, WHICH IS DUE TO THE PRESIDENT AND THE CONGRESS ON DECEMBER 31, 1992. ADVISES THAT AGENCIES ARE ENCOURAGED TO SUBMIT THE REPORT EARLY SO THAT OMB CAN USE AGENCY FMFIA FINDINGS DURING THE BUDGET FORMULATION PROCESS AND IN PREPARATION OF THE GOVERNMENT-WIDE STATUS REPORT REQUIRED BY THE CHIEF FINANCIAL ** Date: Referred To: Referred To: Date: JMD; FLICKINGER 08-24-92 (5)(1)W/IN: (2)(6)(3)(7)PRTY: (4)(8) 1 INTERIM BY: DATE: OPR:

Date Released: 01-11-93

Remarks
** OFFICERS ACT.

Sig. For:

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ACTION TAKEN.
01-11-93: PER JMD/JOYCE, CLOSED OUT - RESPONSE WAS MADE WITH E.S. 92121117636 (SEE FILE FOR RESPONSE).MAU

Other Remarks:

OLA CONTACT: 8/25/92 KMM FYI FILE: OFFICE OF MANAGEMENT AND BUDGET J920824 3365

JMD





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

August 8, 1992

'92 AUG 24 AUG :20

EXECUTIVE SEE, IN THE

MEMORANDUM FOR THE DEPUTY SECRETARIES OF EXECUTIVE DEPARTMENTS

DEPUTY ADMINISTRATOR OF THE ENVIRONMENTAL

PROTECTION AGENCY

DEPUTY ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION SELECTED HEADS OF INDEPENDENT AGENCIES

FROM:

Frank Hodsoll Jack Hodsoll

SUBJECT:

1992 Federal Managers' Financial Integrity Act (FMFIA)

Reporting Requirements

Attached is the guidance to be used in preparing your agency's 1992 FMFIA report to the President and the Congress. This guidance should be followed by the agencies listed in Attachment A.

I ask your personal attention in assuring that the 1992 FMFIA report reflects the true state of your agency's management controls, and focuses on results, not process. The OMB guidance is intended to assist your staff in designing an executive report that will be read by the Congress and senior staff. Detailed information supporting the report's findings does not need to be included in this report; rather, it should be readily available from your staff.

The report is due to the President and the Congress on December 31, 1992. However, agencies are encouraged to submit the report early, so that OMB can use agency FMFIA findings during the budget formulation process and in preparation of the government-wide status report required by the Chief Financial Officers Act.

Please ask your staff to direct any questions to the Management Integrity Branch on (202) 395-6911.

Attachments

Mark you for your help.



The following agencies are subject to the Federal Managers' Financial Integrity Act (FMFIA) and the attached guidance:

Department of Agriculture

Department of Commerce

Department of Defense

Department of Education

Department of Energy

Department of Health and Human Services

Department of Housing and Urban Development

Department of the Interior

Department of Justice

Department of Labor

Department of State

Department of Transportation

Department of the Treasury

Department of Veterans Affairs

ACTION

Agency for International Development

Appalachian Regional Commission

Arms Control and Disarmament Agency

Central Intelligence Agency

Commission on Civil Rights

Commodity Futures Trading Commission

Consumer Product Safety Commission

Equal Employment Opportunity Commission

Environmental Protection Agency

Executive Office of the President

Farm Credit Administration

Federal Communications Commission

Federal Election Commission

Federal Emergency Management Agency

Federal Energy Regulatory Commission

Federal Labor Relations Authority

Federal Maritime Commission

Federal Mediation and Conciliation Service

Federal Retirement Thrift Investment Board

Federal Trade Commission

General Services Administration

International Trade Commission

Interstate Commerce Commission

Merit Systems Protection Board



National Aeronautics and Space Administration National Archives and Records Administration National Credit Union Administration National Endowment for the Arts National Endowment for the Humanities National Gallery of Art National Labor Relations Board **National Science Foundation** National Transportation Safety Board **Nuclear Regulatory Commission** Office of Personnel Management Panama Canal Commission **Peace Corps** Railroad Retirement Board Resolution Trust Corporation Oversight Board Securities and Exchange Commission Selective Service System **Small Business Administration** U.S. Information Agency

U.S. Soldiers' and Airmen's Home



GUIDANCE FOR PREPARING 1992 INTEGRITY ACT REPORT

This guidance should be used in preparing your agency's 1992 report to the President and the Congress under the Federal Managers' Financial Integrity Act (FMFIA).

This guidance applies to the Cabinet departments and major independent agencies, as listed in Attachment A. This guidance is in two parts: (I) Standards, and (II) Format. Separate instructions will be issued for smaller agencies.

The report is due to the President and the Congress on December 31, 1992. However, agencies are encouraged to submit the report early. This will allow OMB to make maximum use of the report during the budget formulation process and in preparation of the government-wide status report required by the Chief Financial Officers Act (CFOs Act).

Transmission of Report

The letter, signed by the agency head, and enclosures should be addressed to the following persons:

Addressee	Address on letter	<u>Salutation</u>
The President	The President The White House Washington, D.C. 20500	Dear Mr. President:
The President of the Senate	Honorable J. Danforth Quayle President of the Senate Washington, D.C. 20510	Dear Mr. President:
Speaker of the House of Representatives	Honorable Thomas S. Foley Speaker of the House of Representatives Washington, D.C. 20515	Dear Mr. Speaker:

In addition, fifteen copies of the report should be sent to:

Ms. Susan Gaffney Chief, Management Integrity Branch Office of Management and Budget New Executive Office Building, room 10221 Washington, D.C. 20503

Questions may be directed to OMB's Management Integrity Branch on (202) 395-6911.



I. Standards

Providing Overall Assurance on Adequacy of Internal Controls (Section 2) and Conformance of Financial Systems with Government-wide Standards (Section 4)

Agencies should provide two distinct assurance statements for Sections 2 and 4 of the Federal Managers' Financial Integrity Act (FMFIA). These assurance statements should be contained in a single letter from the agency head. The overall assurance statement should be based on the extent of material weaknesses (or non-conformances) and their impact on agency operations and/or the public. The existence of material weaknesses (or non-conformances) does not preclude statements of overall compliance, so long as the weaknesses (or non-conformances) when considered together are not sufficiently serious to prevent reasonable assurance.

In every case, agencies should explain the rationale that permits them to draw their conclusion on overall compliance.

Assessing Materiality of Weaknesses - Section 2 Internal Controls

Material weaknesses in internal control systems are weaknesses that:

- o significantly impair the fulfillment of an agency or component's mission;
- o deprive the public of needed services;
- o violate statutory or regulatory requirements;
- o significantly weaken safeguards against waste, loss, unauthorized use or misappropriation of funds, property, or other assets;
- o result in a conflict of interest;
- o merit the attention of the agency head/senior management, the Executive Office of the President, or the relevant Congressional oversight committee; or
- o are of a nature that omission from the report could reflect adversely on the actual or perceived management integrity of the agency.

Assessing Materiality of Non-Conformances - Section 4 Financial Systems

Each material non-conformance in a financial system should meet one or more of the following criteria:

- o merits the attention of the agency head/senior management, the Executive Office of the President, or the relevant Congressional oversight committee;
- o prevents the primary agency financial system from achieving central control over agency financial transactions and resource balances; or
- o prevents conformance of financial systems with (1) financial information standards and/or (2) financial system functional standards.
 - (1) Financial information standards are:
 - o Compliance with SGL: implementation of the U.S. Government Standard



2

- General Ledger (crosswalks acceptable); and
- o Data quality: accurate, complete, reliable, timely, comparable, consistent, useful financial information for the current and past fiscal years;
- (2) Financial system functional standards are:
 - o Compliance with JFMIP Core Requirements: compliance with financial system functional requirements published by JFMIP and approved by OMB, Treasury and GAO, which include general ledger control (including fund control) over agency resources, obligations and spending;
 - Effective interfaces: single entry of data or adequate reconciliation among systems;
 - o **Documentation/audit trails:** adequate systems documentation and audit trails; and
 - o **Support of mission performance:** adequate overall system performance in support of agency's assigned mission and information needs.



II. Format

The 1992 report should consist of a single letter from the agency head to the President and the Congress, with four Enclosures:

- Enclosure A. Statistical Summary of Performance;
- Enclosure B. Progress Report on High Risk Areas;
- Enclosure C. Description of Material Weaknesses and Major Milestones for Corrective Actions; and
- Enclosure D. Description of Material Non-conformances and Major Milestones for Corrective Actions.

Letter From the Agency Head

The agency head letter to the President and the Congress should be substantive and should:

- state whether there is reasonable assurance that the agency, as a whole, complies with both Sections 2 and 4 of the FMFIA. The letter should explain the basis for such assurances, in light of material weaknesses (or non-conformances) being reported;
- o identify high risk areas, including any new high risk areas proposed by the agency, or any proposed for deletion; and
- o identify <u>critical</u> material weaknesses and non-conformances other than those identified as high risk areas.

Enclosures A, B, C and D

The instructions that follow describe the information needed for Enclosures A - D of the FMFIA Report. Formats are provided for each of these sections and are found at the end of this guidance. It should be noted that the suggested formats for the corrective action schedules for Enclosures B (High Risk), C (Section 2, Material Weaknesses), and D (Section 4, Financial System Non-conformances) have only slight variations to accommodate the specific information needs of the particular section.

The formats for Enclosures B, C and D are optional. An agency may elect to use an alternative format, but all data elements shown in these enclosures must be included.

Enclosure A -- Statistical Summary of Performance

Enclosure A is a statistical summary of the agency's performance under Section 2 (internal controls) and Section 4 (financial systems) incorporating the data requested on Page 6 of this guidance.



4

Enclosure B -- Progress Report on High Risk Areas

This enclosure should be used by agencies that have high risk areas.

The relationship between high risk areas and material weaknesses varies. Some high risk areas have a direct relationship to one or more material weaknesses. For example, a high risk area entitled "procurement" might be comprised of five discrete material weaknesses. Other high risk areas are broadly defined although they are based in material weaknesses. For high risk areas made up of one or more material weaknesses, a crosswalk between this enclosure and Enclosure C or D is acceptable. The name of the high risk area and material weakness(es) should be noted in Enclosure B, but detailed information should be included in Enclosure C or D. High risk areas that are broader than related material weaknesses should be fully reported in Enclosure B.

Enclosures C and D -- Schedule of Corrective Actions

Enclosures C and D are similar in format. Enclosure C addresses Section 2 material weaknesses and Enclosure D addresses Section 4 material non-conformances. Each enclosure consists of three parts:

- a summary/table of contents of material weaknesses/non-conformances;
- a description and schedule of major corrective actions for each pending material weakness/non-conformance; and,
- (3) a description of each material weakness/non-conformance that was corrected in 1992.

The relationship between material non-conformances and material weaknesses varies. For material non-conformances that are directly related to one or more material weaknesses, please include appropriate references in Enclosure D. For example, a material non-conformance area entitled "data quality" might be related to five discrete material weaknesses found in Enclosure C. Therefore, the non-conformance cited in Enclosure D should reference the relevant material weaknesses in Enclosure C.

Part 1. Summary/Table of Contents.

Each Enclosure should contain a summary of all pending material weaknesses/non-conformances. The summary should: list the titles of the weaknesses/non-conformances in priority order; provide summary information on the targeted completion date; and indicate the page number of the more detailed description to follow. The format for this item appears on Page 9 of this guidance.

Part 2. Schedule of Corrective Actions for Pending Items.

Briefly describe each pending material weakness/non-conformance and provide all data requested. Agencies are encouraged to limit the description of each material weakness/non-conformance to two pages in length.

Part 3. Corrected Items.

For each material weakness/non-conformance corrected this year, please provide information on the corrective actions taken in the same format as Part 2, except, that for corrected items only, additional information is requested on the validation process used and results indicators.



The following pages illustrate the formats for Enclosures A, B, C and D



FORMAT FOR ENCLOSURE A

Statistical Summary of Performance

Section 2, Internal Control

	Number of Material Weaknesses			
	Number reported for the first time in:	For that year, number that have been corrected:	For that year, number still pending:	
Prior Years				
1990 Report				
1991 Report				
1992 Report				
Total				
Of the total number corrected, how many were corrected in 1992?				

Section 4, Financial Management Systems

	Number of Material Non-Conformances				
*	Number reported for that have been the first time in: For that year, number that have been corrected: For that year, number that year, number still pendir				
Prior Years					
1990 Report					
1991 Report					
1992 Report					
Total					
Of the total number corrected, how many were corrected in 1992?					



FORMAT FOR ENCLOSURE B

PROGRESS REPORT ON HIGH RISK AREAS

Title and Description of High Risk Area:			
,			
Pace of Corrective Action		Name of Responsible Program Manager:	
Year Identified Original Targeted Correction Date	: :	Appropriation/Account #:	
Correction Date in Last Year's Report Current Correction Date	<i>:</i> <i>:</i>		
Reason for Change in Dates	:		
For Corrected Items Only Validation Process Used: Explain the validation process used by manager	nent to verify the completion of the corrective	action.	
Results Indicators: Describe key results achieved in terms of perfor quantitative and/or qualitative measures that de			

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the high risk area. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term) Agencies may also use this section to provide an overall assessment of progress that highlights both significant achievements and problems.	Original Plan	Revised Plan	Actual Date
*			

This format is optional. If an agency elects to use a different format, all data elements must be included.



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Title of High Risk Area:

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the high risk area. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date



FORMAT FOR ENCLOSURES C AND D, PART 1

Summary/Table of Contents

Title	Year First Reported	Target Date for Correction in 1991 FMFIA Report	Current Target Date for Correction	Page
	,			
-				

SECTION 2, MATERIAL WEAKNESS - SCHEDULE OF CORRECTIVE ACTIONS

FORMAT FOR ENCLOSURE C, PARTS 2 AND 3

Title and Description of Material Weakness:					
Pace of Corrective Action Year Identified Original Targeted Correction Date Correction Date in Last Year's Report Current Correction Date Reason for Change in Dates	: : :	Name of Responsible Program Manager: Source of Discovery: Indicate how material weakness was initially discovered, e.g., ICR, IG audit or investigation, management review, evaluation. Appropriation/Account #:			
For Corrected Items Only Validation Process Used: Explain the validation process used by management to verify the completion of the corrective action. Results Indicators: Describe key results achieved in terms of performance measures, where appropriate. Performance measures are quantitative and/or qualitative measures that determine whether agency actions corrected the weakness or deficiency.					

Major Milestones		Milestone Dates		
Provide major milestones to correct/improve the material weakness. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date	

This format is optional. If an agency elects to use a different format, all data elements must be included.



SECTION 2, MATERIAL WEAKNESS - SCHEDULE OF CORRECTIVE ACTIONS

Major Milestones		Milestone Dates			
Provide major milestones to correct/improve the material weakness. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date		
			,		



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FORMAT FOR ENCLOSURE D, PARTS 2 AND 3

SECTION 4, MATERIAL NON-CONFORMANCE - SCHEDULE OF CORRECTIVE ACTIONS

Title and Description of Material Non-conformance/System Name: (Include non-conformance type)					
Pace of Corrective Action Year Identified Original Targeted Correction Date Correction Date in Last Year's Report Current Correction Date Reason for Change in Dates	: : : : : : : : : : : : : : : : : : :	Name of Responsible Program Manager: Source of Discovery: Indicate how material weakness was initially discovered, e.g., ICR, IG audit or investigation, management review, evaluation. Appropriation/Account #:			
For Corrected Items Only Validation Process Used: Explain the validation process used by management to verify the completion of the corrective action. Results Indicators: Describe key results achieved in terms of performance measures, where appropriate. Performance measures are quantitative and/or qualitative measures that determine whether agency actions corrected the non-conformance or deficiency.					

Major Milestones	Milestone Dates		
Provide major milestones to correct/improve the material non-conformance. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date

This format is optional. If an agency elects to use a different format, all data elements must be included.



SECTION 4, MATERIAL NON-CONFORMANCE - SCHEDULE OF CORRECTIVE ACTIONS

Title of Material Non-conformance:

Major Milestones Milestone Dates			
Provide major milestones to correct/improve the material non-conformance. Include (a) Completed actions/events; (b) Planned actions/events (short term-next 12 months); and (c) Planned actions/events (longer term)	Original Plan	Revised Plan	Actual Date
. 1		o.	N.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: DARMAN, RICHARD, DIRECTOR, OMB

To: HEADS OF EXECUTIVE DEPTS. & ESTABLISHMENTS (AG.) ODD: NONE

Date Received: 08-26-92 Date Due: NONE Control #: X92082612809

Subject & Date

08-19-92 MEMO ADVISING THAT OMB CIRCULAR NO. A-18, POLICIES ON CONSTRUCTION OF FAMILY HOUSING, DATED OCTOBER 18, 1957, IS HEREBY RESCINDED. THE GENERAL POLICY PROVISIONS OF THIS CIRCULAR HAVE BEEN INCORPORATED IN REVISED OMB CIRCULAR NO. A-11, PREPARATION AND SUBMISSION OF ANNUAL BUDGET ESTIMATES, DATED JULY 2, 1992. THE REMAINING PROVISIONS WILL BE INCORPORATED IN OMB CIRCULAR NO. A-45, POLICY GOVERNING CHARGES FOR RENTAL QUARTERS AND **

Referred To: Date: Referred To: Date:

(1) JMD; FLICKINGER 08-26-92 (5) W/IN:
(2) (6)
(3) (7) PRTY:
(4) (8) 1
INTERIM BY: DATE: OPR:

Sig. For: JMD Date Released: MAU

Remarks

** RELATED FACILITIES, MARCH 28, 1984. ALSO ADVISES THAT THIS CIRCULAR IS UNDER REVISION AND THE REVISED VERSION IS TO BE PUBLISHED SOON.

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: 8/26/92 KMM FYI

FILE: OFFICE OF MANAGEMENT AND BUDGET

J920826 3413

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY



Court 97



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

'92 ALS 26 P3:35

AUG 1 9 1992

EXECUTIVE DECLINED IN LIBER

CIRCULAR NO. A-18 TRANSMITTAL MEMORANDUM NO. 2

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policies on Construction of Family Housing

Office of Management and Budget (OMB) Circular No. A-18, Policies on Construction of Family Housing, dated October 18, 1957, is hereby rescinded.

The general policy provisions of this circular have been incorporated in revised OMB Circular No. A-11, Preparation and Submission of Annual Budget Estimates, dated July 2, 1992. The remaining provisions of Circular No. A-18 will be incorporated in OMB Circular No. A-45, Policy Governing Charges for Rental Quarters and Related Facilities, March 28, 1984. This circular is currently under revision and the revised version is to be published soon.

Richard Darman

Director





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR AUG | 9 1992

CIRCULAR NO. A-18 TRANSMITTAL MEMORANDUM NO. 2

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policies on Construction of Family Housing

Office of Management and Budget (OMB) Circular No. A-18, Policies on Construction of Family Housing, dated October 18, 1957, is hereby rescinded.

The general policy provisions of this circular have been incorporated in revised OMB Circular No. A-11, Preparation and Submission of Annual Budget Estimates, dated July 2, 1992. The remaining provisions of Circular No. A-18 will be incorporated in OMB Circular No. A-45, Policy Governing Charges for Rental Quarters and Related Facilities, March 28, 1984. This circular is currently under revision and the revised version is to be published soon.

Richard Darman

Director



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: BURMAN, ALLAN V., OFFICE OF FEDERAL PROCUREMENT POLICY, OMB TO: HEADS OF EXEC. DEPTS & ESTABLISHMENTS (AG.) ODD: NONE

Date Received: 10-01-92 Date Due: NONE Control #: X92100214565

Subject & Date

09-23-92 MEMO (POLICY LETTER 92-1) ESTABLISHING EXECUTIVE BRANCH POLICY RELATING TO SERVICE CONTRACTING AND INHERENTLY GOVERNMENTAL FUNCTIONS. ITS PURPOSE IS TO ASSIST EXECUTIVE BRANCH OFFICERS AND EMPLOYEES IN AVOIDING AN UNACCEPTABLE TRANSFER OF OFFICIAL RESPONSIBILITY TO GOVERNMENT CONTRACTORS. HEADS OF AGENCIES ARE RESPONSIBLE FOR IMPLEMENTING THIS POLICY LETTER. WHILE THESE POLICIES MUST BE IMPLEMENTED IN THE FEDERAL ACQUISITION REGULATION (FAR),*

Referred To: Date: Referred To: Date: (1) JMD; FLICKINGER 10-02-92 (5) W/IN:

(2) (6)

(3) (7) PRTY: (4) (8)

INTERIM BY: DATE: OPR: Sig. For: JMD Date Released: EHZ

Remarks

* AGENCIES ARE EXPECTED TO TAKE ALL APPROPRIATE ACTIONS IN THE INTERIM TO DEVELOP IMPLEMENTATION STRATEGIES AND INITIATE STAFF TRAINING TO ENSURE EFFECTIVE IMPLEMENTATION.

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF MANAGEMENT AND BUDGET

J921002 3987





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 23, 1992

·92 DOT -1 P3:39

greeting of the

Policy Letter 92-1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Inherently Governmental Functions.

- 1. <u>Purpose</u>. This policy letter establishes Executive Branch policy relating to service contracting and inherently governmental functions. Its purpose is to assist Executive Branch officers and employees in avoiding an unacceptable transfer of official responsibility to Government contractors.
- 2. Authority. This policy letter is issued pursuant to subsection 6(a) of the Office of Federal Procurement Policy (OFPP) Act, as amended, codified at 41 U.S.C. § 405(a).
- 3. <u>Exclusions</u>. Services obtained by personnel appointments and advisory committees are not covered by this policy letter.
- 4. <u>Background</u>. Contractors, when properly used, provide a wide variety of useful services that play an important part in helping agencies to accomplish their missions. Agencies use service contracts to acquire special knowledge and skills not available in the Government, obtain cost effective services, or obtain temporary or intermittent services, among other reasons.

Not all functions may be performed by contractors, however. Just as it is clear that certain functions, such as the command of combat troops, may not be contracted, it is also clear that other functions, such as building maintenance and food services, may be contracted. The difficulty is in determining which of these services that fall between these extremes may be acquired by contract. Agencies have occasionally relied on contractors to perform certain functions in such a way as to raise questions about whether Government policy is being created by private persons. Also, from time to time questions have arisen regarding the extent to which de facto control over contract performance has been transferred to contractors. This policy letter provides an illustrative list of functions, that are, as a matter of policy, inherently governmental (see Appendix A), and articulates the practical and policy considerations that underlie such determinations (see § 7).



As stated in § 9, however, this policy letter does not purport to specify which functions are, as a legal matter, inherently governmental, or to define the factors used in making such legal determination. Thus, the fact that a function is listed in Appendix A, or a factor is set forth in § 7(b), does not necessarily mean that the function is inherently governmental as a legal matter or that the factor would be relevant in making the legal determination.

5. <u>Definition</u>. As a matter of policy, an "inherently governmental function" is a function that is so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities that require either the exercise of discretion in applying Government authority or the making of value judgements in making decisions for the Government. Governmental functions normally fall into two categories: (1) the act of governing, i.e., the discretionary exercise of Government authority, and (2) monetary transactions and entitlements.

An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as to:

- (a) bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;
- (b) determine, protect, and advance its economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;
- (c) significantly affect the life, liberty, or property of private persons;
- (d) commission, appoint, direct, or control officers or employees of the United States; or
- (e) exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

Inherently governmental functions do not normally include gathering information for or providing advice, opinions, recommendations, or ideas to Government officials. They also do not include functions that are primarily ministerial and internal in nature, such as building security; mail operations; operation of cafeterias; housekeeping; facilities operations and maintenance, warehouse operations, motor vehicle fleet management and operations, or other routine electrical or mechanical services.



The detailed list of examples of commercial activities found as an attachment to Office of Management and Budget (OMB) Cir. No. A-76 is an authoritative, nonexclusive list of functions that are not inherently governmental functions. These functions therefore may be contracted.

6. Policy.

- (a) Accountability. It is the policy of the Executive Branch to ensure that Government action is taken as a result of informed, independent judgments made by Government officials who are ultimately accountable to the President. When the Government uses service contracts, such informed, independent judgment is ensured by:
- (1) prohibiting the use of service contracts for the performance of inherently governmental functions (See Appendix A);
- (2) providing greater scrutiny and an appropriate enhanced degree of management oversight (see subsection 7(f)) when contracting for functions that are not inherently governmental but closely support the performance of inherently governmental functions (see Appendix B);
- (3) ensuring, in using the products of those contracts, that any final agency action complies with the laws and policies of the United States and reflects the independent conclusions of agency officials and not those of contractors who may have interests that are not in concert with the public interest, and who may be beyond the reach of management controls otherwise applicable to public employees; and
- (4) ensuring that reasonable identification of contractors and contractor work products is made whenever there is a risk that the public, Congress, or other persons outside of the Government might confuse them with Government officials or with Government work products, respectively.
- (b) OMB Circular No. A-76. This policy letter does not purport to supersede or otherwise effect any change in OMB Circular No. A-76, Performance of Commercial Activities.
- (c) <u>Drafting of Congressional testimony, responses to Congressional correspondence, and agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity.</u> While the approval of a Government document is an inherently governmental function, its drafting is not necessarily such a function. Accordingly, in most situations the drafting of a document, or portions thereof, may be contracted, and the agency should review and revise the draft document, to the extent necessary, to ensure that the final



document expresses the agency's views and advances the public interest. However, even though the drafting function is not necessarily an inherently governmental function, it may be inappropriate, for various reasons, for a private party to draft a document in particular circumstances. Because of the appearance of private influence with respect to documents that are prepared for Congress or for law enforcement or oversight agencies and that may be particularly sensitive, contractors are not to be used for the drafting of Congressional testimony; responses to Congressional correspondence; or agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity.

- 7. <u>Guidelines</u>. If a function proposed for contract performance is not found in Appendix A, the following guidelines will assist agencies in understanding the application of this policy letter, determining whether the function is, as a matter of policy, inherently governmental and forestalling potential problems.
- (a) The exercise of discretion. While inherently governmental functions necessarily involve the exercise of substantial discretion, not every exercise of discretion is evidence that such a function is involved. Rather, the use of discretion must have the effect of committing the Federal Government to a course of action when two or more alternative courses of action exist (e.g., purchasing a minicomputer rather than a mainframe computer, hiring a statistician rather than an economist, supporting proposed legislation rather than opposing it, devoting more resources to prosecuting one type of criminal case than another, awarding a contract to one firm rather than another, adopting one policy rather than another, and so forth).

A contract may thus properly be awarded where the contractor does not have the authority to decide on the course of action to be pursued but is rather tasked to develop options to inform an agency decision maker, or to develop or expand decisions already made by Federal officials. Moreover, the mere fact that decisions are made by the contractor in performing his or her duties (e.g., how to allocate the contractor's own or subcontract resources, what techniques and procedures to employ, whether and whom to consult, what research alternatives to explore given the scope of the contract, what conclusions to emphasize, how frequently to test) is not determinative of whether he or she is performing an inherently governmental function.

(b) Totality of the circumstances. Determining whether a function is an inherently governmental function often is difficult and depends upon an analysis of the facts of the case. Such analysis involves consideration of a number of factors, and the presence or absence of any one is not in itself determinative of the issue. Nor will the same emphasis necessarily be placed on any one factor at different times, due to the changing nature of the Government's requirements.



The following factors should be considered when deciding whether award of a contract might effect, or the performance of a contract has effected, a transfer of official responsibility:

- (1) Congressional legislative restrictions or authorizations.
- (2) The degree to which official discretion is or would be limited, i.e., whether the contractor's involvement in agency functions is or would be so extensive or his or her work product is so far advanced toward completion that the agency's ability to develop and consider options other than those provided by the contractor is restricted.
 - (3) In claims adjudication and related services,
 - (i) the finality of any contractor's action affecting individual claimants or applicants, and whether or not review of the contractor's action is <u>de novo</u> (i.e., to be effected without the appellate body's being bound by prior legal rulings or factual determinations) on appeal of his or her decision to an agency official;
 - (ii) the degree to which contractor activities may involve wide-ranging interpretations of complex, ambiguous case law and other legal authorities, as opposed to being circumscribed by detailed laws, regulations, and procedures;
 - (iii) the degree to which matters for decision by the contractor involve recurring fact patterns or unique fact patterns; and
 - (iv) The contractor's discretion to determine an appropriate award or penalty.
- (4) The contractor's ability to take action that will significantly and directly affect the life, liberty, or property of individual members of the public, including the likelihood of the contractor's need to resort to force in support of a police or judicial function; whether force, especially deadly force, is more likely to be initiated by the contractor or by some other person; and the degree to which force may have to be exercised in public or relatively uncontrolled areas. (Note that contracting for guard, convoy security, and plant protection services, armed or unarmed, is not proscribed by these policies.)
- (5) The availability of special agency authorities and the appropriateness of their application to the situation at



hand, such as the power to deputize private persons.

- (6) Whether the function in question is already being performed by private persons, and the circumstances under which it is being performed by them.
- (c) Finality of agency determinations. Whether or not a function is an inherently governmental function, for purposes of this policy letter, is a matter for agency determination. However, agency decisions that a function is or is not an inherently governmental function may be reviewed, and, if necessary, modified by appropriate OMB officials.
- (d) <u>Preaward responsibilities</u>. Whether a function being considered for performance by contract is an inherently governmental function is an issue to be addressed prior to issuance of the solicitation.
- (e) Post-award responsibilities. After award, even when a contract does not involve performance of an inherently governmental function, agencies must take steps to protect the public interest by playing an active, informed role in contract administration. This ensures that contractors comply with the terms of the contract and that Government policies, rather than private ones, are implemented. Such participation should be appropriate to the nature of the contract, and should leave no doubt that the contract is under the control of Government officials. This does not relieve contractors of their performance responsibilities under the contract. Nor does this responsibility to administer the contract require Government officials to exercise such control over contractor activities as to convert the contract, or portion thereof, to a personal service contract.

In deciding whether Government officials have lost or might lose control of the administration of a contract, the following are relevant considerations: the degree to which agencies have effective management procedures and policies that enable meaningful oversight of contractor performance, the resources available for such oversight, the actual practice of the agency regarding oversight, the duration of the contract, and the complexity of the tasks to be performed.

(f) Management controls. When functions described in Appendix B are involved, additional management attention to the terms of the contract and the manner of performance is necessary. How close the scrutiny or how extensive or stringent the management controls need to be is for agencies to determine. Examples of additional control measures that might be employed are:



- (1) developing carefully crafted statements of work and quality assurance plans, as described in OFPP Policy Letter 91-2, Service Contracting, that focus on the issue of Government oversight and measurement of contractor performance;
- (2) establishing audit plans for periodic review of contracts by Government auditors;
- (3) conducting preaward conflict of interest reviews to ensure contract performance in accordance with objective standards and contract specifications;
- (4) physically separating contractor personnel from Government personnel at the worksite; and
- (5) requiring contractors to (a) submit reports that contain recommendations and that explain and rank policy or action alternatives, if any, (b) describe what procedures they used to arrive at their recommendations, (c) summarize the substance of their deliberations, (d) report any dissenting views, (e) list sources relied upon, and/or (f) otherwise make clear the methods and considerations upon which their recommendations are based.
- (g) Identification of contractor personnel and acknowledgement of contractor participation. Contractor personnel attending meetings, answering Government telephones, and working in other situations where their contractor status is not obvious to third parties must be required to identify themselves as such to avoid creating an impression in the minds of members of the public or the Congress that they are Government officials, unless, in the judgment of the agency, no harm can come from failing to identify themselves. All documents or reports produced by contractors are to be suitably marked as contractor products.
- (h) <u>Degree of reliance</u>. The extent of reliance on service contractors is not by itself a cause for concern. Agencies must, however, have a sufficient number of trained and experienced staff to manage Government programs properly. The greater the degree of reliance on contractors the greater the need for oversight by agencies. What number of Government officials is needed to oversee a particular contract is a management decision to be made after analysis of a number of factors. These include, among others, the scope of the activity in question; the technical complexity of the project or its components; the technical capability, numbers, and workloads of Federal oversight officials; the inspection techniques available; and the importance of the activity. Current contract administration resources shall not be determinative. The most efficient and cost effective approach shall be utilized.



(i) Exercise of approving or signature authority. Official responsibility to approve the work of contractors is a power reserved to Government officials. It should be exercised with a thorough knowledge and understanding of the contents of documents submitted by contractors and a recognition of the need to apply independent judgment in the use of these work products.

8. Responsibilities.

- (a) <u>Heads of agencies</u>. Heads of departments and agencies are responsible for implementing this policy letter. While these policies must be implemented in the Federal Acquisition Regulation (FAR), it is expected that agencies will take all appropriate actions in the interim to develop implementation strategies and initiate staff training to ensure effective implementation of these policies.
- (b) Federal Acquisition Regulatory Council. Pursuant to subsections 6(a) and 25(f) of the OFPP Act, as amended, 41 U.S.C. §§ 405(a) and 421(f), the Federal Acquisition Regulatory Council shall ensure that the policies established herein are incorporated in the FAR within 210 days from the date this policy letter is published in the Federal Register. Issuance of final regulations within this 210-day period shall be considered issuance "in a timely manner" as prescribed in 41 U.S.C. § 405(b).
- (c) <u>Contracting officers</u>. When requirements are developed, when solicitations are drafted, and when contracts are being performed, contracting officers are to ensure:
- (1) that functions to be contracted are not among those listed in Appendix A of this letter and do not closely resemble any functions listed there;
- (2) that functions to be contracted that are not listed in Appendix A, and that do not closely resemble them, are not inherently governmental functions according to the totality of the circumstances test in subsection 7(b), above;
- (3) that the terms and the manner of performance of any contract involving functions listed in Appendix B of this letter are subject to adequate scrutiny and oversight in accordance with subsection 7(f), above; and
- (4) that all other contractible functions are properly managed in accordance with subsection 7(e), above.
- (d) <u>All officials</u>. When they are aware that contractor advice, opinions, recommendations, ideas, reports, analyses, and other work products are to be considered in the course of their official duties, all Federal Government officials are to ensure



that they exercise independent judgment and critically examine these products.

- 9. <u>Judicial review</u>. This policy letter is not intended to provide a constitutional or statutory interpretation of any kind and it is not intended, and should not be construed, to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person. It is intended only to provide policy guidance to agencies in the exercise of their discretion concerning Federal contracting. Thus, this policy letter is not intended, and should not be construed, to create any substantive or procedural basis on which to challenge any agency action or inaction on the ground that such action or inaction was not in accordance with this policy letter.
- 10. <u>Information contact</u>. For information regarding this policy letter contact Richard A. Ong, Deputy Associate Administrator, the Office of Federal Procurement Policy, 725 17th Street, N.W., Washington, DC 20503. Telephone (202)395-7209.
- 11. <u>Effective date</u>. This policy letter is effective 30 days after the date of publication.

ALLAN V. BURMAN Administrator

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The following is an illustrative list of functions considered to be inherently governmental functions:

- 1. The direct conduct of criminal investigations.
- 2. The control of prosecutions and performance of adjudicatory functions (other than those relating to arbitration or other methods of alternative dispute resolution).
- 3. The command of military forces, especially the leadership of military personnel who are members of the combat, combat support or combat service support role.
- 4. The conduct of foreign relations and the determination of foreign policy.
- 5. The determination of agency policy, such as determining the content and application of regulations, among other things.
- 6. The determination of Federal program priorities or budget requests.
- 7. The direction and control of Federal employees.
- 8. The direction and control of intelligence and counter-intelligence operations.
- 9. The selection or nonselection of individuals for Federal Government employment.
- 10. The approval of position descriptions and performance standards for Federal employees.
- 11. The determination of what Government property is to be disposed of and on what terms (although an agency may give contractors authority to dispose of property at prices within specified ranges and subject to other reasonable conditions deemed appropriate by the agency).

With respect to the actual drafting of Congressional testimony, of responses to Congressional correspondence, and of agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity, see special provisions in subsection 6(c) of the text of the policy letter.



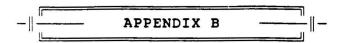
- 12. In Federal procurement activities with respect to prime contracts,
- (a) determining what supplies or services are to be acquired by the Government (although an agency may give contractors authority to acquire supplies at prices within specified ranges and subject to other reasonable conditions deemed appropriate by the agency);
- (b) participating as a voting member on any source selection boards;
- (c) approval of any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria;
 - (d) awarding contracts;
- (e) administering contracts (including ordering changes in contract performance or contract quantities, taking action based on evaluations of contractor performance, and accepting or rejecting contractor products or services);
 - (f) terminating contracts; and
- (g) determining whether contract costs are reasonable, allocable, and allowable.
- 13. The approval of agency responses to Freedom of Information Act requests (other than routine responses that, because of statute, regulation, or agency policy, do not require the exercise of judgment in determining whether documents are to be released or withheld), and the approval of agency responses to the administrative appeals of denials of Freedom of Information Act requests.
- 14. The conduct of administrative hearings to determine the eligibility of any person for a security clearance, or involving actions that affect matters of personal reputation or eligibility to participate in Government programs.
- 15. The approval of Federal licensing actions and inspections.
- 16. The determination of budget policy, guidance, and strategy.
- 17. The collection, control, and disbursement of fees, royalties, duties, fines, taxes and other public funds, unless authorized by statute, such as title 31 U.S.C. § 952 (relating to private collection contractors) and title 31 U.S.C. § 3718 (relating to private attorney collection services), but not including:
- (a) collection of fees, fines, penalties, costs or other charges from visitors to or patrons of mess halls, post or base



exchange concessions, national parks, and similar entities or activities, or from other persons, where the amount to be collected is easily calculated or predetermined and the funds collected can be easily controlled using standard cash management techniques, and

- (b) routine voucher and invoice examination.
- 18. The control of the treasury accounts.
- 19. The administration of public trusts.





The following list is of services and actions that are not considered to be inherently governmental functions. However, they may approach being in that category because of the way in which the contractor performs the contract or the manner in which the Government administers contractor performance. When contracting for such services and actions, agencies should be fully aware of the terms of the contract, contractor performance, and contract administration to ensure that appropriate agency control is preserved.

This is an illustrative listing, and is not intended to promote or discourage the use of the following types of contractor services:

- 1. Services that involve or relate to budget preparation, including workload modeling, fact finding, efficiency studies, and should-cost analyses, etc.
- 2. Services that involve or relate to reorganization and planning activities.
- 3. Services that involve or relate to analyses, feasibility studies, and strategy options to be used by agency personnel in developing policy.
- 4. Services that involve or relate to the development of regulations.
- 5. Services that involve or relate to the evaluation of another contractor's performance.
- 6. Services in support of acquisition planning.

OVERSIGHT

- 7. Contractors' providing assistance in contract management (such as where the contractor might influence official evaluations of other contractors).
- 8. Contractors' providing technical evaluation of contract proposals.
- 9. Contractors' providing assistance in the development of statements of work.
- 10. Contractors' providing support in preparing responses to Freedom of Information Act requests.
- 11. Contractors' working in any situation that permits or might permit them to gain access to confidential business information and/or any other sensitive information (other than situations covered by the Defense Industrial Security Program described in

FAR 4.402(b)).

- 12. Contractors' providing information regarding agency policies or regulations, such as attending conferences on behalf of an agency, conducting community relations campaigns, or conducting agency training courses.
- 13. Contractors' participating in any situation where it might be assumed that they are agency employees or representatives.
- 14. Contractors' participating as technical advisors to a source selection board or participating as voting or nonvoting members of a source evaluation board.
- 15. Contractors' serving as arbitrators or providing alternative methods of dispute resolution.
- 16. Contractors' constructing buildings or structures intended to be secure from electronic eavesdropping or other penetration by foreign governments.
- 17. Contractors' providing inspection services.
- 18. Contractors' providing legal advice and interpretations of regulations and statutes to Government officials.
- 19. Contractors' providing special non-law enforcement, security activities that do not directly involve criminal investigations, such as prisoner detention or transport and non-military national security details.



OFFICE OF MANAGEMENT AND BUDGET Office of Federal Procurement Policy

AGENCY: Office of Management and Budget, Executive Office of the President, Office of Federal Procurement Policy.

ACTION: Policy Letter on Inherently Governmental Functions.

SUMMARY: The Office of Federal Procurement Policy (OFPP) publishes today the final version of a policy letter providing guidance to Executive Departments and agencies on (1) what functions are inherently governmental functions that must only be performed by Government officers and employees and (2) what contractible functions so closely support Government officers and employees in their performance of inherently governmental functions that the terms and performance of those contracts require closer scrutiny from Federal officials. This policy letter has been developed because executive agencies, members of Congress, the General Accounting Office, and the public have from time to time either requested guidance regarding, or inquired about, the propriety of awarding contracts for certain types of functions or administering contracts in certain ways. Previous quidance on this issue has also not been as detailed as that which we now provide.

FOR FURTHER INFORMATION CONTACT: Richard A. Ong, Deputy Associate Administrator, Office of Federal Procurement Policy, 725 17th Street, NW -- Suite 9001, Washington, DC 20503 (202)395-7209. To obtain a copy of this policy letter, please call OMB's Publications Office at (202)395-7332.

SUPPLEMENTARY INFORMATION:

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Comments received. We received 34 comments in response to our proposed policy letter published in the <u>Federal Register</u> on December 16, 1991 (56 Fed. Reg. 65279): eight from industry or trade groups, four from private individuals, two from employee organizations, one from a Federally funded research and development center, and 19 from Government agencies.

1. <u>Purpose of the policy letter</u>. This policy letter on inherently governmental functions is being published to provide guidance on what kinds of functions, as a matter of policy, must be performed by officials of the Executive Branch of the United States and what kinds of functions may be performed by private persons under contract with the Federal Government.

Previous guidance on these matters that has been available to the Executive Branch has not been detailed and sometimes Federal agencies have permitted contractors to perform functions that should be performed by Government personnel. We now provide more detailed guidance.



2. Relationship of policy letter to other OFPP publications on service contracting. This policy letter is also one of several that the Office of Federal Procurement Policy (OFPP) has published recently that have focused on some aspect of service contracting in the Federal Government. At this time, OFPP has determined it is best to deal with individual aspects of service contracting rather than trying to publish comprehensive guidance in one document. We will consider collecting all of the guidance on service contracts in one document in the future.

Thus, we do not cover in detail in this policy letter such matters as cost effectiveness of contracting for services, conflicts of interest of service contractors, and management of service contracts. These issues are dealt with in OMB Circular No. A-76, Performance of Commercial Activities, August 4, 1983 (under revision); OFPP Policy Letter 89-1, Conflict of interest Policies Applicable to Consultants, 54 Fed. Reg. 51,805 (December 18, 1989); OFPP Memorandum for Agency Senior Procurement Executives, Government-Wide Guidance on Contract Administration (March 15, 1991); OFPP Policy Letter 91-2, Service Contracting, 56 Fed. Reg. 15110 (April 15, 1991); proposed OFPP Policy Letter 91-___, Past Performance Information, 56 Fed. Reg. 63988 (December 6, 1991); and proposed OFPP Policy Letter 92-____, Management of Service Contracting, 56 Fed. Reg. 66091 (December 20, 1991).

3. Relationship to OMB Circular No. A-76. One commenter asked that we make clear our apparent intent to clarify rather than alter the guidance originally found in OMB Circular No. A-76 on inherently governmental functions. That is our intent. No fundamental change is intended.

We have altered the form of the original Circular A-76 definition of an inherently governmental function in the interest of clarity. Specific examples cited in the original A-76 definition have been incorporated into Appendix A and a list of the general principles underlying the selection of the functions listed in that appendix has been added in their stead.

The terms "function" and "activity" as used in this policy letter and Circular A-76, respectively, are interchangeable.

The same commenter above suggested that we add a new Appendix C, containing a nonexclusive list of functions that are commercial activities that should be contracted. We have not adopted this suggestion because the scheme proposed is the same one we have implicitly adopted. The proposed Appendix C is nothing more than the list of examples of commercial activities found as an Attachment to Circular A-76. We do not believe it is necessary to incorporate that A-76 attachment in this policy letter. The fact that we have not provided this Appendix C thus should not be construed as narrowing the scope of functions that



have been contracted in the past. Nonetheless, we have added language to § 5 to clarify the relationship between Circular A-76 and this policy letter on this point.

Another commenter stated that the relationship between this policy letter and Circular A-76 is unclear. This policy letter is to be the exclusive source of guidance on what constitutes, as a matter of policy, an inherently governmental function.

- 4. <u>Libraries</u>. Several persons questioned the inclusion of library operations as a ministerial function that should be contracted out in subsection 7(a) of the December version of the policy letter. The fact that employees render professional services in performing a function does not mean that the function in question is necessarily inherently governmental. In fact, the Government frequently seeks out contract services precisely because of the level of sophistication required to perform a particular function. On the other hand, agencies may determine that aspects of their library operations, such as handling certain types of information in certain circumstances, involve performance of an inherently governmental function. Therefore, we have removed the reference to libraries.
- 5. Contract audits for inspectors general. One commenter suggested that Federal inspector general (IG) work should be done by using Government resources, with exceptions justified on a case-by-case basis, unless specific technical expertise is needed temporarily and is not available within the Government. This suggestion was not adopted because (1) Congress has specifically authorized the use of contract auditors in ¶ 6(a)(9) of the Inspector General Act codified at 5 U.S.C. App. 3, and (2) financial and compliance audit activities are not considered inherently governmental functions.

Another commenter questioned whether subsection 12(g) of Appendix A pertaining to the determination of whether contract costs are reasonable, allocable, and allowable proscribes the use of contract audit services. It does not. The decision on what costs are reasonable, allocable, and allowable is ultimately a Government decision, but that decision may be based on recommendations made by contract auditors. Certified public accountants, for example, only render "opinions" and contracts sometimes provide that audit reports are advisory only. Moreover, the use of contract auditors has been authorized by Congress, as noted above.

6. Agency determinations. One commenter interpreted the policy letter as authorizing Federal managers to make a final determination on whether a function is an inherently governmental function, under this policy letter, without such determination's being subject to being overturned by the Office of Management and Budget (OMB) or being subject to a cost comparison study under



- Circular A-76. In general, agencies are expected to make their own determinations, subject to oversight by OMB. Language has been added to subsection 7(c) to clarify this point.
- 7. Agency discretion. One commenter questioned the need for the language in former subsection 7(e) regarding agency discretion to award nonpersonal service contracts. We agree it is unnecessary. It is already clear that awarding a contract is an agency responsibility.
- Incorporation in OMB Circular No. A-76, other documents. Several commenters suggested that the policy letter be incorporated in Circular A-76, "Commercial Activities," currently being revised. We did not incorporate this suggestion because A-76 is already a lengthy document. Also, contracting for inherently governmental functions is indeed a consideration in contracting out, but it is not unique to the A-76 program. All Federal officials who contract for nonpersonal services must consider the problem of inherently governmental functions, and we thus believe separate guidance applicable to all such contracting, not just to nonpersonal service contracting in the A-76 context, is the better alternative. Other commenters urged that the policy letter be combined with one or more other OFPP policy letters, such as those on conflict of interest, service contracting, and past performance and published in a form other than a policy letter. This suggestion has merit but we believe it best to try to deal with discrete portions of service contracting rather than to try to deal with all facets of a complex problem at once, as discussed in point 2, above.
- 9. Agency discretion regarding resource allocation. One commenter suggested we should address the issues of the future balance between official and contractor workforce in the performance of "basic governmental work," the specific expertise needed to manage the contractor workforce now or in the future, where this expertise should be located, and the way in which it can be maintained. We believe this is a matter for agencies themselves to determine, given their knowledge of their mission, their resources, the kinds of services they wish to contract, and the size of their service contracting effort. We merely highlight the problem of lack of oversight as a loss of Government control and require agencies to be aware of their existing oversight responsibilities. They are, however, to use their own discretion to figure out how to manage their contracts.
- 10. Evaluation of proposals. One commenter believes there is an apparent conflict between former subsection 14(b) in Appendix A and § 8 of Appendix B. There is no conflict as new subsection 12(b) refers to participation as a voting member on source selection boards only.



- 11. Appendix B controls. The same commenter also suggested that Appendix B should contain a discussion of possible controls that the Government should employ to prevent the functions listed there from being perceived as inherently governmental function. We do not believe this is necessary, as any function that is in Appendix B is by definition not an inherently governmental function.
- 12. Applicability to nonpersonal services. Three commenters questioned why the policy letter applies only to nonpersonal service contracts. Upon consideration, we have accordingly deleted the definition of "service contract" in § 5. No useful purpose is served by defining "personal services" differently from the FAR and no harm arises from having the policy letter apply to the minimal number of true personal service contracts. Personal service contracts that are really personnel appointments are excluded from the coverage of the policy letter. Thus, FAR 37.102(b) need not be amended as a result of this policy letter.
- 13. <u>Subcontractors</u>. Commenters questioned whether subsection 12(d) of Appendix A should apply to subcontractors. It does not and clarifying language has been added.
- 14. Supplies or services purchased by prime contractors. Some commenters questioned the apparent effect of subsection 12 in Appendix A of preventing contractors from buying supplies and services for their own account. It is not the intent of this policy letter to prevent contractor mess halls from buying food to be prepared for military personnel. Nor does it affect what or how contractors buy to be incorporated into supplies or services to be delivered to the Government. Similarly, contractors may purchase supplies or services for the Government while acting within reasonable Government guidelines. Section 12 is only meant to address the Government's direct acquisition of supplies or services.
- 15. <u>Independent judgement</u>. The emphasis placed on independent judgement by this policy letter does not preclude the wholesale adoption of contractor advice, opinions, recommendations, ideas, or conclusions. They merely may not be adopted, in whole or in part, without officials' first exercising independent judgement.
- 16. <u>Duties of contracting officers</u>. We have added language to § 8 to spell out the analytical steps to be followed by contracting officers seeking to comply with this policy letter.
- 17. Risk of injury to the public. One commenter stated that the definition of an inherently governmental function does not clearly address the danger to the public interest when a function is contracted out and the public is at risk if contractors, such as fire fighters or military support contractors, fail or refuse to act in time of crisis. The risk of injury to the public is an



important consideration. We believe, however, that \P 7(b)(5) appropriately identifies this point as a consideration in determining whether a function is, as a matter of policy, an inherently governmental function. The decision to include several of the functions listed in Appendix A reflects an underlying concern for this risk.

18. Binding nature of decisions. This same commenter noted that it is an overstatement to say that the use of discretion (referred to in what is now subsection 7(a) of the policy letter) must have the effect of committing the Government to a course of action. This is because a scientific consulting firm, for example, could submit a study that would have a tremendous impact on regulations or other agency actions but would not necessary lead to a commitment to a course of action.

We have addressed the element of discretion in subsection 7(a) to convey the idea that the mere existence of the element of discretion is not determinative of whether, as a matter of policy, an inherently governmental function is involved. Moreover, it is useful to observe that a study that has a tremendous impact is not per se a bad thing. A study may have that effect because of its great merit. We should be concerned, however, when a study is allowed to proceed to the point where alternative views, solutions, research, or conclusions, and so forth, cannot realistically be included or taken into account. In this case, the contractor has in effect made all important decisions. Section 7(b)(3) addresses this issue.

- 19. Federally funded research and development centers (FFRDCs). One commenter stated that while profit-making contractors can perform functions listed in Appendix B, the policy letter should cross-reference FAR 35.017 pertaining to FFRDCs and "recognize that FFRDCs are an equally viable source of expertise requiring less rigorous oversight." We have not adopted this suggestion. We do not agree that FFRDCs necessarily require less oversight. We do recognize, however, that they are dealt with in detail in FAR Part 35 and that its provisions may suffice to enable satisfactory agency oversight of FFRDCs. Whether fewer or additional control measures are necessary to ensure agency control over FFRDCs is a matter for agencies to decide in the circumstances of each case.
- 20. Architect-engineer evaluation boards. This same commenter questioned whether § 3, which states that services obtained by personnel appointments and advisory committees are not covered by this policy letter, could be construed to prohibit private individuals appointed to architect-engineer source evaluation boards in accordance with FAR 36.602 from voting. To the extent such boards are advisory committees, the policy letter is not applicable to them. If they are not, the commenter makes an excellent point. FAR 36.602-4 makes clear that the agency is to



make the final selection and FAR 36.602-3(d) provides for the evaluation board to set out in its report the considerations upon which its recommendations were based. This is an acceptable mechanism and we have accordingly revised subsection 12(b) of Appendix A and § 14 of Appendix B to make clear that it is selection of sources that is the most sensitive function. Contractor activities that result in recommendations and that explain how those recommendations were arrived at adequately preserve agency options. A related change has been made in subsection 7(f) stating that requiring contractors to explain how they arrived at their recommendations is another available control measure.

21. Factors to consider in totality of the circumstances.

- (a) Complexity and oversight. One commenter questioned the inclusion of \P 7(d)(2) of the proposed policy letter relating to the complexity of the task to be performed. Upon consideration, we conclude that complexity is better considered in conjunction with the provision that was at 7(d)(12) relating to oversight procedures, resources, and practices. We have amended paragraph 12 accordingly and moved it, as well as the provision in former \P 7(d)(4) relating to the duration of the contract, to new subsection 7(e), Post-award responsibilities. This was done to remove questions relating to contract oversight from the "totality of the circumstances" test. It is important to understand that, if an agency has inadequate oversight procedures or poor oversight practices, the underlying function of any agency contract affected by these deficiencies is not thereby transformed into an inherently governmental function. As the totality test focuses on the nature of the function in question and as there can be a transfer of oversight responsibility even if the underlying function is contractible, the issue of de facto transfer of control should therefore be dealt with elsewhere. (Note that a transfer of contract management responsibility to the contractor is explicitly not permitted by Appendix A. subsection 12(e).)
- (b) Ultimate user of contractor work product. Several commenters questioned the inclusion of this factor at ¶ 7(d)(3) of the proposed policy letter. We agree it should be taken out. Who will use the contractor's work product is important and this has bearing on how much management attention to give to the contract, but it doesn't say anything about the nature of the underlying function or the adequacy of agency contract administration.
- (c) Review of contractor action. The same commenter questions the advisability of including a factor (new \P 7(b)(5)) that relates to the finality of any contractor's adjudication of any claim and the type of agency review of contractor adjudications. We see no problem with agencies' providing for



contractor adjudication of claims so long as citizens know that they have a right of recourse to agency decisionmakers if they are dissatisfied with the decision of the contractor. (Note, however, that certain kinds of hearings may still not be conducted by contractors, e.g., hearings to determine the eligibility of any person for a security clearance, or hearings involving actions that affect matters of personal reputation or eligibility to participate in Government programs. See Appendix A, § 14.)

Thus, we distinguish between, on the one hand, holding hearings and making recommendations and, on the other, retaining the authority to issue the final adjudicatory decision. Contractors may perform the former functions so long as there is adequate oversight, agencies retain the authority to issue the final decision, and the public has a right to insist that the agency make the final decision, if it so desires. This is easier to understand if one views the contractor's action as more of an advisory action than one that binds the claimant with only limited opportunities to change the result before the agency. Note that in the absence of an appeal by a claimant, the agency need not rule on each contractor decision or ruling. It should, of course, inspect or sample contractor decisions or rulings from time to time to ensure that contractors comply with agency guidelines and procedures.

- (d) Limiting or extinguishing discretion. The same commenter noted that our speaking in terms of contractor limiting or extinguishing discretion in former \P 7(d)(5) could mistakenly create the impression that some of the Government's authority can be exercised by a contractor. The policy letter attempts to clarify this issue at subsection 7(a).
- (e) <u>Public perception</u>. Several commenters questioned the inclusion of this factor at ¶ 7(d)(11) of the proposed policy letter, believing that public perception is too ambiguous a concept. We agree. A function can probably be analyzed in the light of other factors listed without the need to resort to the concept of perceptions. Appendix A of the policy letter is itself an up-to-date listing that already takes into account the factor of public perceptions. The paragraph has been deleted.
- (f) Laws applicable to the Civil Service. Several commenters questioned the inclusion of this factor at ¶ 7(d)(13) of the proposed policy letter. We agree and have deleted this factor. The considerations listed may be relevant to what good contract management should require by way of contract conditions, but they don't say anything about the nature of the function or the adequacy of agency contract administration practices.
- (g) Record keeping requirement. One commenter found the meaning of paragraph 7(d)(15) of the proposed policy letter



- unclear. This factor was included to cover situations such as a contractor's providing aircraft-related training. If the contractor proves to be incompetent or negligent, the fact that the contractor did maintain or was required to maintain records of who was trained permits corrective action to be taken, such as locating improperly trained students and requiring retraining. If records are not maintained, the Government cannot exercise ultimate control because it cannot correct any errors. Nonetheless, the provision appears to have only limited application and has been deleted.
- Collection of fees. Two commenters questioned the provisions of § 20 of Appendix A of the proposed policy letter prohibiting collection of fees or other public moneys, pointing out that contractors in mess halls for military personnel currently collect charges for meals and Department of Housing and Urban Development (HUD) contractors collect fees from purchasers of HUD properties. We have modified the policy letter to enable routine collection of fees where good cash management practices and other controls are in effect, where there is little danger of miscalculating the amount of money ultimately due the Government, and where there is little difficulty in obtaining payment. example, a contractor could have discretion to determine that a family seeking entrance to a park consists of four people rather than three, and that one of the four is a child under 12, but the contractor would not have the discretion to determine the amount of the fee to be paid by each person in a particular category. HUD contractors may also collect fees from purchasers of HUD properties in accordance with subsection 17(a) of Appendix A. also make clear that routine voucher and invoice examination by contractors is an acceptable practice.
- 23. Contract for one function or several. One commenter questioned whether the policy letter reflects our belief that only contracts with multiple functions are susceptible to confusion with respect to inherently governmental functions. This is not our belief. The policy letter is intended to provide guidance with respect to discrete functions regardless of whether there is a mixture of several functions in a contract or there is only one function that is being contracted.
- 24. Post-award responsibilities. Section 7(e) has been amended to make clear that agency contract oversight is to ensure contractor performance in accordance with the terms of the contract, but that oversight must not be exercised so as to create a personal service contract. Language from subsection 7(d) of the proposed policy letter has been moved to subsection 7(e), as explained in § 21, above.



- Drafting of Congressional testimony, responses to Congressional correspondence, and agency responses to audit reports from an Inspector General, the General Accounting Office, or other Federal audit entity. Two commenters questioned whether contractors should be able to draft Congressional testimony, subject to ultimate agency approval. Approval is a key power reserved to any official and we by no means agree that officials do or will approve contractor work in a perfunctory manner. have nonetheless reexamined this issue and, because of the importance of Congressional testimony and correspondence and of agency responses to audit reports , we are now deciding, as a matter of policy, that these documents should not be drafted by contractors. We have thus added a new subsection (c) to the body of the policy letter to this effect. We deleted the relative portions of Appendix A because we do not believe that drafting documents per se is an inherently governmental function and failing to exercise sufficient oversight with respect to drafting of such documents does not transform the underlying function into an inherently governmental function, as noted in subsection § Contractor reports, conclusions, summaries, 21(a), above. analyses, and other work products may, of course, still be quoted or otherwise referenced in Congressional testimony, correspondence, and responses to audit reports, or set out in such things as attachments, appendices, or enclosures thereto.
- 26. Reliance on contractor support. One commenter called attention to our statement in § 4 of the policy letter that agencies "award service contracts for various reasons, such as to acquire special skills not available in the Government or to meet the need for intermittent services." The commenter pointed out that "'support service' contractors have come to serve as the permanent workforce for many programs" seemingly implying that our statement does not take this into account. In fact, our statement is an accurate one, citing only two of the reasons why agencies award service contracts as examples. Contracting actions under Circular A-76 are also a reason why agencies award service contracts.

Whatever the reason for using service contracts to accomplish agency missions, it is important to understand that agency use of service contracts is limited by our policy letter in two ways: the function must not be an inherently governmental function, and if it is not, the agency must be able to exercise effective oversight of any contract awarded. We make clear that management of a contract is just as important as deciding whether the contract may properly be awarded in the first place.

Our policy letter is limited in scope and does not focus on why agencies use service contracts. Rather we are concerned that service contracts, when used, are used only when contractors may perform the functions in question and when agencies have the resources to manage the contracts. It is true that agencies have



sometimes contracted functions that we have listed in the policy letter as inherently governmental functions, and it is true that they have sometimes failed to recognize that they were not exercising effective oversight over nongovernmental functions that had been contracted. Nonetheless, effective corrective action has been taken by the agencies in the past when oversight problems were identified.

Additional problems in this area will probably arise in the future. Even the General Accounting Office recognized the difficulty in defining inherently governmental functions and providing guidance to agencies on the subject. Are Service Contractors Performing Inherently Governmental Functions?, GAO/GGD-92-11, November 1991, p. 3. We have every reason to expect, however, that because our guidance is much more detailed than anything that was available to agencies in the past there will be fewer instances of problems in this area. We thus disagree strongly with the commenter that the policy letter is a mere exhortation to better management.

27. Other issues. One commenter also suggested that we should address whether "contractors who perform work historically performed by civil servants should be subjected to comparable limitations on pay and rules of conduct;" measurement of the short-term and long-term costs of reliance on contractors versus officials; whether Superfund and the savings and loan bailout programs "provide models for public management of the next bailout or cleanup program;" and the "practical meaning that we will give to the concept of 'public service' as the Federal Government heads into the 21st century."

The concept of work "historically performed" by civil servants is not useful because a function may have been performed by civil servants in the past for reasons other than the belief that the function was inherently governmental. In fact, the premise of Circular No. A-76 is that many functions historically performed by Government employees can more appropriately be performed by the private sector.

We believe that competition is the most powerful force available to keep costs down, even though there may be instances where this will not be so. In such instances, determinations shall be made in accordance with Circular No. A-76.

Measurement of the short-term and long-term costs of reliance on contractors versus officials is an aspect of cost effectiveness of service contracts and need not be dealt with here. Similarly, the efficacy of the Superfund and savings and loan programs is a matter beyond the scope of this policy letter.

So far as the practical meaning of the concept of public service is concerned, this policy letter attempts to identify



those functions that, as a matter of policy, should only be performed by Government officials and those that may be performed by service contractors. If our taxonomy and analytical methods are sound, our policy letter should define what public service entails in terms of the functions that officials must perform for the foreseeable future.

28. Acknowledgement. Finally, we wish to acknowledge our reliance on the excellent work of the Environmental Protection Agency in our drafting of the appendices to this policy letter. Also, the comments we received were all exceptionally well thought out. We are most grateful for the time, effort and imagination that went into the preparation of those comments.

ALLAN V. BURMAN Administrator

allan V. Burnan

Date: . 23

DOJ EXECUTIVE SECRETARIAT CROSS-REFERENCE RECORD



92092814290

CONTROL NUMBER: 92092814290
GILMAN, PAUL, Associate Director OMB (Informing that Pres. Bush appointed Charles Heringer to the Bear River Commission)

THE ENTIRE DOCUMENT PACKET FOR THE CONTROLLED CORRESPONDENCE INDICATED BY THE ABOVE EX.SEC. CONTROL NUMBER HAS BEEN FILED IN THE FOLLOWING PRIMARY FILE LOCATION WITHIN THE SUBJECT FILES OF THE ATTORNEY GENERAL.

PRIMARY	FILE:	COMM	SSIONS/	BEAR	RIVER	COMMISSION
2	4 SEPT	EMBER	1992			



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: MAZUR, ED, CONTROLLER, OMB

To: CHIEF & DEPUTY CHIEF FINANCIAL OFFICERS, IG's ODD: 11-22-92 Date Received: 10-01-92 Date Due: 11-22-92 Control #: X92100214591 Subject & Date

09-28-92 MEMO (COPY REC'D FROM ODAG) ADVISING THAT THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD (FASAB) RECENTLY ISSUED AN EXPOSURE DRAFT ENTITLED "ACCOUNTING FOR DIRECT LOANS AND LOAN GUARANTEES." REQUESTS THAT EACH OFFICE HEAD AND THEIR STAFFS REVIEW THE DOCUMENT AND SUBMIT A RESPONSE TO FASAB BY NOVEMBER 22, 1992.

	Referred To:	Date:		Referred	To:	Date:	
(1)	JMD; FLICKINGER	10-02-92	(5)				W/IN:
(2)			(6)				
(3)			(7)				PRTY:
(4)			(8)				1
	INTERIM BY:			DATE:			OPR:
	Sig. For: JMI	D		Date Rele	eased:	12-01-92	MAU

Remarks

INFO CC: DAG, OIG.

(1) COORDINATE WHERE NECESSARY AND PROVIDE EXEC. SEC. WITH COPY OF SIGNED AND DATED RESPONSE.

12-01-92 JMD REPLIED BY LETTER DATED 11-16-92. (TJ)

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF MANAGEMENT AND BUDGET J921002 4009

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY



NOV 16 1992

The Honorable Elmer B. Staats Chairman, Federal Accounting Standards Advisory Board 750 First St., N.E., Room 1001 Washington, D.C. 20002

Dear Mr. Staats:

As requested in your letter, dated September 23, 1992, we have reviewed the Federal Accounting Standards Advisory Board (FASAB) Exposure Draft (ED) entitled Accounting for Direct Loans and Loan Guarantees. This ED concerns a subject area with which the Department of Justice has very limited activity; therefore, we do not wish to offer comments on it. However, we do appreciate the opportunity to review it and look forward to offering comments, as we have in the past, on future FASAB issuances.

If there are any questions concerning this response, please have your staff call James E. Williams, Director, Finance Staff, Justice Management Division, on (202) 501-6984.

Sincerely,

/s/ Harry H. Flickinger

Harry H. Flickinger
Assistant Attorney General
for Administration
Chief Financial Officer

Copies furnished: DCM, OC, FS, FOS, FMSAG, EXEC SEC Chron

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OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON OCT 20503 4 13 PM '92

September 28/1992

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS

DEPUTY CHIEF FINANCIAL OFFICERS

INSPECTORS GENERAL

FROM:

Ed Mazur

Controller

SUBJECT:

Federal Accounting Standards Advisory Board

Exposure Draft

The Federal Accounting Standards Advisory Board (FASAB) recently issued an exposure draft entitled Accounting for Direct Loans and Loan Guarantees. Its purpose is to establish recommended accounting standards for the accounting for loans and loan guarantees in accordance with the Credit Reform Act of 1990. Thus, it describes the manner in which present value measurement bases should be applied to initial measurement and recognition, subsidy amortization and re-estimates, revenues and expenses, modifications, transfers of assets and foreclosures, including the acquisition of guaranteed loan assets, and write-offs and sales for both direct loans and loan guarantees. It also discusses the accounting for direct loans and loan guarantees made prior to the effective date of the Credit Reform Act.

FASAB has requested that users, preparers, and others interested in Federal financial information carefully consider the contents of the exposure draft and provide comments by November 22, 1992, on any part of the document.

This exposure document addresses an extremely complex accounting matter. It is, therefore, vital that it receive as much reaction and input as possible. Therefore, I request that each of you and your staffs review the document, paying particular attention to the areas for which specific questions are asked, and submit a response to FASAB by November 22, 1992. FASAB will benefit from your knowledge and perspective as it seeks to ensure that its final standards are realistic and useful.

Thank you for your cooperation.

cc: Honorable Elmer Staats Chairman, FASAB



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: DARMAN, RICHARD, DIRECTOR, OMB

To: HEADS OF EXECUTIVE DEPARTMENTS (AG.) ODD: NONE

Date Received: 10-06-92 Date Due: NONE Control #: X92100614679

Subject & Date

10-01-92 MEMO ATTACHING OMB BULLETIN NO. 93-01 WHICH

PROVIDES INSTRUCTIONS ON APPORTIONMENTS OF AMOUNTS PROVIDED

BY SHORT-TERM CONTINUING RESOLUTIONS FOR FY 1993.

	Referred To:	Date:		Referred	To:	Date:	
(1)	JMD; FLICKINGER	10-06-92	(5)				W/IN:
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	Sig. For: JM	D		Date Rele	eased:		EHZ
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Remarks

INFO CC: OAG, DAG, ASG.

(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT:

FILE: OFFICE OF MANAGEMENT AND BUDGET





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

October 1, 1992

'92 NOT -6 P3:49

Executive

OMB BULLETIN NO. 93-01

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT:

Apportionments Under Continuing Resolutions, Fiscal Year 1993

Fiscal Year 1993

This Bulletin provides instructions on apportionments of amounts provided by short-term Continuing Resolutions for Fiscal Year 1993.

Please address any questions to the OMB budget representative with primary responsibility for the account, to OMB Acting General Counsel Robert Damus (202-395-5044), or to Associate General Counsel for Budget Rosalyn Rettman (202-395-4778).

Richard Darman

Director

Attachment



APPORTIONMENT OF AMOUNTS APPROPRIATED UNDER CONTINUING RESOLUTIONS

- I. The apportionment of funds.
 - A. <u>Amount</u>. Continuing Resolutions (CRs) may provide funding until regular FY 1993 appropriations are enacted. Pertinent projects or activities covered by CRs, such as H.J.Res 553, shall be continued at:
 - o the lower of either the House, Senate, or the current year rates when there are House and Senate passed versions of the regular 1993 appropriations acts as of October 1, 1992; or
 - o the lower of the House or current year rates when there is only the House passed version² as of October 1, 1992.
 - B. <u>Period of availability</u>. Amounts available under CRs are for the length of time specified by the CR. For example, H.J.Res 553 provides appropriations for 5 days.
 - C. <u>Purpose</u>. The purpose of a CR is to fund temporarily the normal operations of government. Under a CR, appropriations are provided to continue projects and activities of the Federal government under the authorities and conditions provided in applicable appropriations acts for the prior year.
 - D. <u>Conditions</u>. The amounts made available under CRs, such as H.J.Res. 553, are subject to the same terms and conditions that are specified in the enacted 1992 appropriations acts or in Public Law 102-145.
 - E. <u>Apportionment</u>. All accounts are automatically apportioned. In addition, agencies may request written apportionments.
 - 1. <u>Automatic apportionment</u>. Under the automatic apportionment, the rate of spending is the lower of either: (1) a pro-rated level to reflect a constant

² Except that where an item is funded in applicable appropriations Acts for the fiscal year 1992 or in P.L. 102-145 and is not included in the House passed version, the pertinent project or activity shall be continued at the rate of operations not exceeding the current year rate.



¹ Except that where an item is included in only one version, the pertinent project or activity shall be continued at the lower of the current year rate or the rate permitted by the one House.

rate of obligation over the period of availability specified by the CR; or (2) the seasonal rate of obligation.

The pro-rated level is calculated by multiplying the annualized appropriation (i.e., the lower of the House, Senate (if any), or current rate) by the number of days the CR is in effect divided by 365. For example, since H.J.Res. 553 is in effect through the 5th of October, the annualized appropriation will be multiplied by 1.4% (5/365).

To determine the seasonal rate of obligation, calculate the historical rate (percentage) of obligation for the first period of the CR of either the prior fiscal year or an average of a number of prior years. Then multiply the historical rate (percentage) by the annualized appropriation (i.e., the lower of the House, Senate (if any), or current rate) provided under the CR.

The amount apportioned under the CR is the lower of the prorated or the seasonal rate.

Example: If the lowest of Senate, House, and current levels for a program is \$100,000, the CR provides \$100,000 in appropriations for Fiscal Year 1993, and the normal pattern of obligation is flat, then the proration of obligational authority should be used. Of this amount, \$1,400 (.014 x \$100,000) would be automatically available for the first 5 days of Fiscal Year 1993. If, however, the seasonal rate for the 5 days yields an amount lower than \$1,400, then the lower amount is apportioned.

- 2. Written reapportionment. In cases where the rate of obligation is affected by seasonality and the normal pattern of obligation exceeds the lowest of the Senate (if any), House, or current levels, the agency may request reapportionment to reflect the seasonality of obligation. A written request for reapportionment with adequate justification should be forwarded to the OMB budget representative with primary responsibility for the account, as soon as possible.
- 3. <u>Footnotes</u>. All footnotes and other conditions placed on the prior year apportionments remain in effect under an automatic apportionment. Should an agency desire to seek modification of such footnotes and conditions, a reapportionment request should be



submitted to the agency's OMB budget representative with primary responsibility for the account.

- F. <u>Credit Programs</u>. CRs, such as H.J.Res. 553, generally make available budgetary resources to support the costs³ associated with direct and guaranteed loan activities that were conducted in fiscal year 1992. The limitations on credit activity levels remain, subject to the terms and conditions specified in the enacted 1992 Appropriations Acts.
- II. The passage of regular appropriations.

If during the period covered by a CR a regular appropriations bill is enacted, agencies will seek reapportionment to reflect the new levels of appropriation. The total amount subject to reapportionment will equal the total amount made available for the fiscal year 1993 in the regular appropriation. At this point, agencies should refer to OMB Circular No. A-34 for further instructions on budget execution under regular appropriations.

³ These are the subsidy amounts.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: HODSOLL, FRANK, DEPUTY DIRECTOR, OMB

To: AGENCY HEADS & CHIEF FINANCIAL OFFICERS (AG.) ODD: NONE

Date Received: 11-06-92 Date Due: NONE Control #: X92110916237

Subject & Date

10-30-92 MEMO ADVISING THAT THE CHIEF FINANCIAL OFFICERS ACT OF 1990 REQUIRES THAT THE ANNUAL FINANCIAL STATEMENTS PREPARED BY DOJ BE AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS AND THAT THE AUDITS BE PERFORMED BY DOJ'S IG, OR AN INDEPENDENT EXTERNAL AUDITOR, DETERMINED BY THE IG. IF AN INDEPENDENT EXTERNAL AUDITOR IS USED, THE IG SHOULD DEFINE AND OVERSEE THE PERFORMANCE OF THE AUDIT.

	Referred To:	Date:		Referred	To:	Date:	
(1)	JMD; FLICKINGER	11-09-92	(5)				W/IN:
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	Sig. For: JM	D		Date Rele	eased:		EHZ

Remarks
CC INDICATED FOR OIG.
INFO CC: OAG, DAG.
(1) FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ACTION TAKEN.

Other Remarks:

OLA CONTACT: 11/12/92 TTR FYI

FILE: OFFICE OF MANAGEMENT AND BUDGET

J921109 4522

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEPUTY DIRECTOR FOR MANAGEMENT

October 30, 1992

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19. 17.1 - 6. 11.12

MEMORANDUM TO HEADS OF AGENCIES AND CHIEF FINANCIAL OFFICERS IN AGENCIES COVERED BY THE CHIEF FINANCIAL

OFFICERS ACT

FROM:

Frank Hodsoll frank Hadsoll

SUBJECT:

Audits of Annual Financial Statements

This memorandum discusses audits of annual financial statements required by the Chief Financial Officers Act of 1990 (CFOs Act) and presents alternative approaches to assure that the audits are performed in a timely manner.

The CFOs Act requires that the annual financial statements prepared by agencies pursuant to the CFOs Act be audited in accordance with generally accepted government auditing standards. It also requires that the audits be performed by the agency's Inspector General or an independent external auditor, as determined by the Inspector General.

In most instances, the Inspectors Generals are performing the audits with funds appropriated to the Inspector General's budget. You should realize, however, that funds appropriated to the Inspector General need not be the only source of funding, particularly since the CFOs Act no longer permits waivers of the audit requirement, and the responsibility to transmit audited financial statements is a joint responsibility of the Chief Financial Officers and the Inspector General. Thus, if adequate funding was not provided to the IG, I encourage you to use funds appropriated to the parent organization responsible for managing the activities, to the extent they are available, to pay for the necessary financial audits. I also encourage you to use such funds, as necessary, to prepare the financial statements and improve the underlying financial systems that support the preparation of the statements.

As stated, the Act requires the audit to be performed by an independent external auditor or the Inspector General, as determined by the Inspector General. Accordingly, if an independent external auditor is to perform the audit, the Inspector General should define the audit scope, oversee the process for selecting the independent external auditor, and oversee the performance and delivery of the audit.



In using alternative approaches to fund the audits required by the Chief Financial Officers Act, you must be certain that you are using the funds consistent with the agency's authority to use funds to manage the agency's activities.

cc: Inspectors General



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

GILMAN, PAUL, NATURAL RESOURCES ENERGY & SCIENCES, OMB ODD: NONE AG., STATE, TREASURY, NRC, EPA, ENERGY To: Date Received: 10-23-92 Date Due: NONE Control #: X92102315524 Subject & Date 10-23-92 MEMO REGARDING THE ESTABLISHMENT A OF TRANSITION TASK FORCE FOR THE UNITED STATES ENRICHMENT CORPORATION. THE PURPOSE OF THIS CORPORATION IS TO OPERATE AS A COMMERCIAL BUSINESS ENTERPRISE ON A PROFITABLE AND EFFICIENT THE FIRST MEETING OF THE TASK FORCE WILL BE OCTOBER 29, 1992, AT 2:00 P.M. IN ROOM 180 OF THE OLD EXECUTIVE OFFICE BUILDING. ADVISES THAT DOJ SHOULD DESIGNATE A SENIOR POLICY OFFICIAL, PREFERABLY AT THE ** Referred To: Date: Referred To: Date: (1)(5)OAG; 10-23-92 W/IN: (2)(6)

(1) OAG; 10-23-92 (5) W/IN:
(2) (6)
(3) (7) PRTY:
(4) (8) 1
INTERIM BY: DATE: OPR:
Sig. For: AG. Date Released: CYN

Remarks

** ASSISTANT SECRETARY OR EQUIVALENT LEVEL, AS ITS OFFICIAL REPRESENTATIVE AND MEMBER OF THE TASK FORCE.

INFO CC: DAG, ASG, ENR.

(1) TO OAG FOR ACTION. ADVISE EXEC. SEC. OF ACTION TAKEN.

10-28-92 ATR HANDLING CHARLES JAMES WILL ATTEND THE

MEETING, PER TOM REINHARDT. (TJ)

Other Remarks:

OLA CONTACT: 10/26/92 TTR FYI

FILE: OFFICE OF MANAGEMENT AND BUDGET

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

OCT 23 1992

MEMORANDUM FOR:

THE SECRETARY OF ENERGY

THE ACTING SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

THE ATTORNEY GENERAL OF JUSTICE

CHAIRMAN OF NUCLEAR REGULATORY COMMISSION
THE ADMINISTRATOR OF ENVIRONMENTAL PROTECTION

AGENCY

FROM:

Paul Gilman

Associate Director

Natural Resources Energy and Sciences

SUBJECT:

Establishment of Transition Task Force for the United States Enrichment Corporation

The President will shortly be signing into law the "Energy Policy Act of 1992." One of the important provisions of this Act establishes a new organization called the United States Enrichment Corporation (USEC). The purpose of this Corporation is to operate as a commercial business enterprise on a profitable and efficient basis. The transition from the current Federal uranium enrichment program operated within the Department of Energy to a more commercial-like organization will be challenging. If it is to be successful, we must immediately plan for the transition to this new organization.

In order to meet the statutorily mandated July 1, 1993 date for completing the transition to the Corporation, many policy, budget, and finance decisions will need to be made in short To support the transition and the efforts of the Transition Manager who must be appointed by the President within 30 days after enactment of the legislation into law, the Administration is establishing a Transition Task Force. purpose of the Task Force is to undertake and coordinate the planning efforts and actions needed to establish the Office of the Transition Manager. It will be chaired by the Office of Management and Budget and composed of senior policy officials from the Departments of Energy, Justice, State, and Treasury as well as the Environmental Protection Agency and the Nuclear Regulatory Commission. Under the Act, besides the critical role of the Department of Energy, each of these Departments or agencies has a significant relationship to the new Corporation and, therefore, should participate in advising on its establishment.



In addition, the Task Force will benefit from the advice of outside experts. These non-Federal experts will work closely with and advise the Task Force on specific issues related to the establishment of the USEC. Representatives will be selected from the electric utility industry, consumer, and labor organizations as well as the financial community.

Your agency should designate a senior policy official, preferably at the Assistant Secretary or equivalent level, as its official representative and member of the Task Force. For the first meeting only these senior policy level members should attend. However, they should be prepared to designate a staff person who will be the agency contact and who may participate in subsequent meetings. Each agency will be expected to provide appropriate staff support to the Task Force as necessary.

The first meeting of the Task Force will be October 29, 1992 at 2:00 p.m. in Room 180 of the Old Executive Office Building (OEOB). If clearance is needed into OEOB, please have your secretary call Kathy Tyer at 395-3404 by October 28, 1992.

DOJ EXECUTIVE SECRETARIAT CROSS-REFERENCE RECORD



COMMENT	NUMBER:	92111716618
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DARMAN, RICHARD, Director OMB

THE ENTIRE DOCUMENT PACKET FOR THE CONTROLLED CORRESPONDENCE INDICATED BY THE ABOVE EX.SEC. CONTROL NUMBER HAS BEEN FILED IN THE FOLLOWING PRIMARY FILE LOCATION WITHIN THE SUBJECT FILES OF THE ATTORNEY GENERAL.

PRIMARY FILE:	BUDGET/Federal	
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DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: HODSOLL, FRANK, DEPUTY DIRECTOR FOR MANAGEMENT, OMB

To: HEADS OF DESIGNATED FED. ENTITIES & IGS (CC: AG.) ODD: NONE

Date Received: 11-19-92 Date Due: NONE Control #: X92112016840

Subject & Date

11-13-92 MEMO (REC'D FROM OAG) ATTACHING THE FINAL VERSION OF THE OMB DOCUMENT ENTITLED "INSPECTORS GENERAL IN DESIGNATED FEDERAL ENTITIES: KEY STATUTORY PROVISIONS AND IMPLEMENTING GUIDANCE." TRUSTS THAT THIS DOCUMENT WILL BE USEFUL IN FOSTERING AN INDEPENDENT AND CONSTRUCTIVE INSPECTOR GENERAL PRESENCE WITHIN EACH AGENCY. THANKS ALL THOSE WHO TOOK THE TIME TO REVIEW THE DRAFT AND SUBMIT COMMENTS. **

	Referred To:	Date:		Referred	To:	Date:	
(1)	OIG; HANKINSON	11-20-92	(5)				W/IN:
(2)			(6)				
(3)			(7)				PRTY:
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	INTERIM BY:			DATE:			OPR:
	Sig. For: NO	NE		Date Rele	eased:		MAU

Remarks

** (NO RECORD OF PRIOR CORRESPONDENCE IN EXEC. SEC.)

INFO CC: OAG, DAG, ASG, JMD. (1) FOR INFORMATION.

Other Remarks:

OLA CONTACT:

11/20/92 TTR FYI

FILE: OFFICE OF MANAGEMENT AND BUDGET

J921120 4652

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEPUTY DIRECTOR FOR MANAGEMENT

November 13, 1992

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M-93-01

MEMORANDUM FOR HEADS OF DESIGNATED FEDERAL ENTITIES

INSPECTORS GENERAL OF DESIGNATED FEDERAL ENTITIES

FROM:

Frank Hodsoll Just Hodny

SUBJECT:

Inspectors General in Designated Federal Entities:

Key Statutory Provisions and Implementing Guidance

Attached is the final version of the OMB document entitled "Inspectors General in Designated Federal Entities: Key Statutory Provisions and Implementing Guidance." I trust that you will find this document useful in fostering an independent and constructive Inspector General presence within your entities.

I want to thank all those who took the time to review the draft and submit comments. We carefully reviewed all of the comments received and have incorporated many of your suggestions.

We were unable to address the recommendation that the document detail how allegations of fraud, waste, and abuse against Inspectors General should be handled. We are currently formulating government-wide policies and procedures in this area, which we hope to issue shortly. In the interim, you may obtain assistance in handling allegations against Inspectors General by referring any such allegations to:

Mr. W. Douglas Gow Chair, Allegations Review Subcommittee President's Council on Integrity and Efficiency J. Edgar Hoover Building, Room 7116 Washington, DC 20535

Thank you again for your assistance in the preparation of this document. I look forward to continuing to work with you to ensure the effectiveness and efficiency of the Designated Federal Entity Offices of Inspector General.

Attachment



INSPECTORS GENERAL IN DESIGNATED FEDERAL ENTITIES: KEY STATUTORY PROVISIONS AND IMPLEMENTING GUIDANCE

INTRODUCTION

The Inspector General concept was broadly introduced to the civilian side of the Federal Government by the Inspector General Act of 1978 (IG Act). In 1988, the IG Act was amended to establish IGs in 33 designated Federal entities (DFEs). Separate legislation established an equivalent IG at the Government Printing Office. These IGs have the same authorities and responsibilities as the "establishment" IGs, but they are appointed by the entity heads (rather than by the President, subject to Senate confirmation).

Within the Federal structure, statutory IGs are unique: they are part of their agencies/entities, but they are operationally independent; and, while subject to the general supervision of the agency/entity heads, they have a unique reporting relationship with the Congress. Understanding and implementing the IG role in a manner that benefits the agency/entity can be a difficult process.

This document explores key provisions of the IG Act, and provides guidance for all designated Federal entity heads and IGs in implementing those provisions. The paper addresses the following areas: selection, appointment, removal, or transfer of DFE IGs; relationship between the entity head and the IG; administration of Offices of Inspector General; IG operations; and IG access to records.

I. SELECTION/APPOINTMENT/REMOVAL/TRANSFER OF DFE IGS

A. SELECTION AND APPOINTMENT

<u>Legal Authority/Requirement</u>: The agency head shall select the IG in accordance with applicable laws and regulations governing appointments within the designated Federal entity. (5 U.S.C. App. 3, s. 8E(c))



The IG Act does not specify the grade level or occupational series of DFE IGs.

Implementing Guidance: Given the very significant authorities and responsibilities of IGs, it is essential that agency heads select eminently qualified persons for these positions. As a starting point, this entails establishing (i) a comprehensive position description, and (ii) a corresponding set of minimum qualification requirements based on the IG authorities and responsibilities detailed in the IG Act.

The selection process, whether it involves transferring existing personnel or competition, must ensure the selection of persons who meet the minimum qualification requirements. The House Conference Report on the 1988 amendments to the IG Act (Report No. 100-1020, page 26) indicates the following Congressional intent: That the head of the designated Federal entity appoint the Inspector General without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

Entity heads are encouraged to use full and open competition, both within and outside the agency, as a means of obtaining the best possible pool of candidates for DFE IG positions. In addition, to the extent that agency personnel policies allow, agency heads are encouraged to strengthen the selection process by including personnel from other DFE IG offices in the panel that identifies the highly qualified candidates. Agency head requests for such DFE IG representation should be directed to the Vice-Chairperson of the Executive Council on Integrity and Efficiency, (The Executive Council on Integrity and Efficiency, established by Executive Order 12805, is comprised of the DFE IGs and representatives of the Federal Bureau of Investigation, the Office of Government Ethics, the Office of Special Counsel, the Office of Personnel Management, and the Office of Management and Budget (OMB). OMB's Deputy Director for Management chairs the Council; one of the DFE IGs serves as Vice-Chairperson.)

In determining the occupational series and grade level of the DFE IG position, entity heads need to consider (i) the nature, scope, and complexity of the audit and investigative workload; (ii) the mission and operations of the agency; (iii) the IG's independent operational stature; (iv) the fact that the IG must report directly to the agency head; and (v) comparable positions. The positions of General Counsel or Executive Director might, for instance, be considered comparable to the IG position.

B. REMOVAL OR TRANSFER

<u>Legal Authority/Requirement</u>: If an IG is removed from office or is transferred to another position or location within a designated Federal entity, the head of the



designated Federal entity shall promptly communicate in writing the reasons for any such removal or transfer to both Houses of the Congress. (5 U.S.C. App. 3, s. 8E(e))

Implementing Guidance: Actions to remove or transfer an IG should be taken strictly in accordance with applicable personnel laws and regulations. The Congressional notification -- in the form of letters to the chairpersons and Ranking Minority members of the House Committee on Government Operations, the Senate Committee on Governmental Affairs, and the House and Senate authorizing and appropriations committees or other oversight committees as applicable -- must present the reasons for removal or transfer.

Entity heads are requested to provide copies of the Congressional notifications to the Chairperson of the Executive Council on Integrity and Efficiency.

II. RELATIONSHIP BETWEEN THE ENTITY HEAD AND THE DFE IG

A. GENERAL SUPERVISION BY THE ENTITY HEAD

Legal Authority/Requirement: Each IG shall report to and be under the general supervision of the head of the designated Federal entity, but shall not report to, or be subject to supervision by, any other officer or employee of such designated Federal entity. The head of the designated Federal entity shall not prevent or prohibit the IG from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation, except as otherwise provided by law. (5 U.S.C. App. 3, s. 8E(d))

Annually, the Director of OMB, after consultation with the Comptroller General, shall publish in the <u>Federal Register</u> a list of the designated Federal entities and the head of each such entity in accordance with definitions stipulated in the IG Act. (5 U.S.C. App. 3, s. 8E(h)(1))

Implementing Guidance: The key points in these citations from the IG Act are that (i) only the official(s) designated in the <u>Federal Register</u> listing as entity head may exercise general supervision of the IG; but (ii) general supervision of an IG may not extend to operational matters pertaining to audits, investigations, or issuance of subpoenas. Since referrals to the Justice Department are an integral part of the investigative process, it follows that agency heads should not prevent, prohibit, or otherwise inhibit such referrals.



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The latest <u>Federal Register</u> listing of designated Federal entity heads is presented in the Attachment to this paper.

The general supervision responsibility of the designated entity head entails, for example: (i) developing a performance plan (including critical performance elements and performance standards) for the IG, in consultation with the IG; (ii) conducting the annual performance evaluation of the IG; and (iii) making decisions on IG budget proposals. Entity heads may not delegate such responsibilities. However, in cases where Boards of Directors or other bodies have been designated by OMB as agency heads, the membership may commission their chairperson to act on their behalf in these matters.

The general supervision responsibilities of the designated entity head also indicate that the IG should keep the entity head generally informed as to the OIG's plans, activities, and accomplishments. Entity heads and IGs need to ensure that this result is obtained without infringing on the operational independence of the IG. (See Section IV.A of this document for the IG's responsibility for keeping the entity head fully and currently informed about specific audit/investigative findings and results.)

B. IG ACCESS TO ENTITY HEAD

<u>Legal Authority/Requirement</u>: The Inspector General shall have direct and prompt access to the agency head when necessary for any purpose pertaining to the performance of functions and responsibilities under the Act. (5 U.S.C. App. 3, s. 6(a)(6))

Implementing Guidance: Regular meetings between the entity head and the IG are a good means of (i) establishing the IG's access to and direct reporting relationship with the entity head, and (ii) keeping the entity head generally apprised of the IG's plans, activities, and accomplishments.

C. ENTITY HEAD AND IG SEMIANNUAL REPORTS TO THE CONGRESS

Legal Authority/Requirement: IGs shall prepare semiannual reports to the Congress, summarizing the activities of their offices as of March 31 and September 30 of each year. These reports shall be provided to the entity head no later than April 30 and October 31 of each year. Within 30 days after receipt of such a report, the entity head shall transmit it to the appropriate committees or



subcommittees of the Congress, along with a report containing (i) any comments the entity head deems appropriate; and (ii) specified data on management actions with respect to audit recommendations. (5 U.S.C. App. 3, s. 5(a)(b))

<u>Implementing Guidance</u>: Key aspects of these semiannual reporting requirements include the following:

- -- The IG is not required to clear his/her semiannual report with the entity head. (However, the IG may choose to circulate the semiannual report in draft format to the entity head and other appropriate entity officials for technical comments.)
- -- The entity head may not change the IG's report.
- -- Preparation of the entity head report is wholly a management responsibility.
- -- The entity head must submit the IG's report and the entity head report to the Congress as a package.

The statutory intention is clearly that the IG and entity head reports be prepared independently. However, it is important to note that both reports must contain specified statistical data on audit followup. Since these data relate to the same universe of audit reports, management and the IG should routinely be reconciling their audit followup data; and the semiannual reports should explain any differences in the audit followup data being reported by the two parties.

It is recommended that the entity head provide copies of the IG and entity head reports to the chairpersons and ranking minority members of the following Congressional committees: House Committee on Government Operations; Senate Committee on Governmental Affairs; and House and Senate authorizing and appropriations committees/subcommittees or other oversight committees as applicable. Entity heads are also asked to provide one copy of each report to the Chairperson of the Executive Council on Integrity and Efficiency, and 10 copies of each report to OMB's Management Integrity Branch.

III. ADMINISTRATION OF OFFICES OF INSPECTOR GENERAL

A. PERSONNEL, PROCUREMENT, AND LOGISTICAL SUPPORT

<u>Legal Authority/Requirement</u>: The IG is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions,



powers, and duties of the Office of Inspector General and to obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within the designated Federal entity. (5 U.S.C. App. 3, s. 8E(g)(2))

The IG is authorized to enter into contracts and other arrangements for audits, studies, analysis, and other services with public agencies and private persons, and make such payments as may be necessary to carry out the provisions of the Act. (5 U.S.C. App. 3, s. 6(a)(9))

The entity head shall provide the Office of Inspector General with appropriate and adequate office space, together with such equipment, office supplies, and communications facilities and services as may be necessary. (5 U.S.C. App. 3, s. 6(c))

Implementing Guidance: In exercising their personnel and procurement authorities, DFE IGs need the assistance of support staff skilled in these functions. When it is not cost effective for an IG to have such support staff within his/her office, the IG will need to rely upon support from entity personnel and procurement functions. Entity heads should ensure that these functions understand the distinct personnel and procurement authorities of the IG, and the need expeditiously to support the IG in the exercise of those authorities.

B. BUDGET FORMULATION AND EXECUTION

<u>Legal Authority/Requirement</u>: Each IG shall report to and be under the general supervision of the head of the designated Federal entity, but shall not report to, or be subject to supervision by, any other officer or employee of such designated Federal entity. (5 U.S.C., App. 3, s. 8E(d))

The head of each agency shall prepare and submit to the President each appropriation request for the agency. (31 U.S.C. s. 1108 (b)(1))

The President shall include in the supporting detail accompanying each Budget submitted on or after January 1, 1983, a separate statement, with respect to each department and establishment, of the amounts of appropriations requested by the President for the Office of Inspector General, if any, of each such establishment or department. (31 U.S.C. s. 1105(a)(25))

<u>Implementing Guidance</u>: Because of the IG reporting relationship established by the IG Act, entity heads must make entity budget formulation and budget execution decisions affecting the IG. Such decisions cannot be delegated to an



officer or employee subordinate to the entity head. It is expected that entity heads will apply agency budget reductions, redistributions, sequestrations, or pay raise absorptions to the Office of the IG with due consideration of the effect that such application would have on the Office's ability to carry out its statutory responsibilities.

With respect to designated Federal entities subject to Executive Branch budget review:

- The entity head is wholly responsible for the entity budget request that is submitted to OMB. The request for the Office of the IG is an integral part of the entity submission.
- o OMB Circular A-11, Preparation and Submission of Budget Estimates, requires that each designated Federal entity include the following information in its budget submission: budget authority and FTE levels for PY through BY for the Office of Inspector General, as well as a concise narrative justifying the funding levels for the Office of Inspector General. These data provide the basis for the statutorily-required statement on the IG in the President's Budget.
- o While the entity head is responsible for budget formulation and execution decisions affecting the IG, the IG should, as a matter of standard practice, have an on-going dialogue with the OMB budget examiner about Office of Inspector General operational plans, activities, and accomplishments.

IV. IG OPERATIONS

A. AUDITS AND INVESTIGATIONS

<u>Legal Authority/Requirement</u>: The Inspector General shall provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the entity. (5 U.S.C. App. 3, s. 4(a))

The Inspector General shall make such investigations and reports relating to the administration of the programs and operations of the entity as are, in the judgment of the IG, necessary or desirable. (5 U.S.C. App. 3, s. 6(a)(2))



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The Inspector General shall keep the entity head and the Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the agency. (5 U.S.C. App. 3, s. 4(a)(5))

The head of the designated Federal entity shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation. (5 U.S.C. App. 3, s. 8E(d))

The Inspector General shall comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions. (5 U.S.C. App. 3, s. 4(b)(1))

Reviews to determine IG compliance with established audit standards, policies, and procedures shall be performed exclusively by an audit entity in the Federal Government. (5 U.S.C. App. 3, s. 4(b)(2))

Each Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law. (5 U.S.C. App. 3, s. 4(c))

There shall not be transferred to any Office of Inspector General any program operating responsibilities. (5 U.S.C. App. 3, s. 8E(b))

Implementing Guidance: As a general rule, entity audit and investigative functions should be carried out by the Office of Inspector General. Exceptions to this rule include audits and investigations that are part of operating programs (e.g., investigations conducted in support of a regulatory function).

Designated Federal entities, unless exempted by law, are subject to OMB circulars. With respect to audits, the following OMB Circulars apply: A-50, Audit Followup; A-73, Audit of Federal Operations and Programs; A-128, Audits of State and Local Governments; and A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.

The statutory requirement for operational independence with respect to IG audits does not preclude communication and cooperation between the IG and entity management. In addition to keeping the entity head fully and currently informed of significant audit/investigative findings and results, the IG should solicit management's views in developing the annual audit plan; conduct entrance and exit conferences as standard parts of every audit; communicate findings as they are developed during the course of the audit; solicit management's views on draft audit reports; and acknowledge management's views in final audit reports.



The Comptroller General's "Government Auditing Standards" provide that organizations conducting government audits should have an external quality control review at least once every 3 years by an organization not affiliated with the organization being reviewed. The IG Act requires that such reviews be conducted by an audit entity in the Federal Government. To meet these requirements, the Executive Council on Integrity and Efficiency facilitates a peer review approach by which designated Federal entity IGs can utilize other designated IGs to conduct external quality control reviews.

With respect to investigations, the statutory requirement is that the IG report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law. This requirement leaves the IG no latitude in determining whether to report to the Attorney General. Further, the requirement is clearly for the IG to report directly to the Attorney General at the earliest possible date, which in almost all cases will be prior to completion of the investigation. Early referral ensures that the Department of Justice is provided the opportunity to direct subsequent investigative work.

In carrying out audits and investigations, IGs periodically need legal advice and assistance. This may be accomplished by employing counsel within the OIG, which minimizes conflicts of interest for the attorney serving the OIG. However, for some IGs, it is not cost effective to have attorneys on-staff; and the IGs therefore need to rely on the entity General Counsel, contractor resources, or memoranda of understanding with other Offices of Inspector General. In order to preserve the operational independence of the IG, IGs and entity General Counsels are urged to enter into written memoranda of understanding delineating the role of the General Counsel when providing legal advice and assistance to the IG.

The statutory prohibition on the IG's having program operating responsibilities does not preclude the IG from assisting the entity and its committees and project teams, if the IG determines that such assistance will help the entity reduce fraud and waste and such assistance by the Office of Inspector General would not compromise its independence in subsequent reviews of the subject matter.

B. LEGISLATION AND REGULATORY REVIEW

<u>Legal Authority/Requirement</u>: The Inspector General shall review existing and proposed legislation and regulations relating to the program and operations of the agency and make recommendations in the semiannual reports to the Congress concerning the impact of such legislation or regulation on the economy and efficiency in the administration of programs and operations administered or



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financed by the agency, or the prevention of fraud and abuse in such programs and operations. (5 U.S.C. App. 3, s. 4(a)(2))

<u>Implementing Guidance</u>: The Agency head should ensure that agency procedures for reviewing legislation and regulations include provisions that allow the Inspector General to fulfill the statutory requirement.

C. IG ACCESS TO AGENCY RECORDS

<u>Legal Authority/Requirement</u>: The Inspector General shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the entity which relate to the programs and operations of the entity. (5 U.S.C. App. 3, s. 6(a)(1))

Whenever such information or assistance is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the head of the entity without delay. (5 U.S.C. App. 3, s. 6(b)(2))

The IG's semiannual report to the Congress shall include a summary of each such report made to the entity head during the reporting period. (5 U.S.C. App. 3, s. 5(a)(5))

Implementing Guidance: Entity operating guidelines should clearly state (i) the IG's right to access documents, (ii) the responsibility of each entity officer and employee for cooperating fully in audits or investigations conducted by the IG; and (iii) the responsibility of cognizant entity officials for communicating to entity contractors, grantees, and regulated entities their responsibility for cooperating fully in audits of investigations conducted by the IG.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

MacRAE, JAMES B., OMB REGULATORY CONTACTS AT EXEC. DEPTS. (AG.) To: ODD: 02-26-93 Date Received: 12-11-92 Date Due: 02-26-93 Control #: X92121117625 Subject & Date 12-09-92 MEMO PROVIDING GUIDELINES AND PROCEDURES FOR PUBLISHING THE APRIL 1993 "UNIFIED AGENDA OF FEDERAL REGULATIONS." ADVISES THAT THERE ARE NO CHANGES IN THE REQUIREMENTS FOR PUBLISHING THE AGENDA. AGENCIES ARE ASKED TO REVISE THE COMPUTER PRINTOUTS (UPDATE DOCUMENTS) OF THE INFORMATION THAT APPEARED IN THE OCTOBER 1992 AGENDA AND PREPARE "REGULATORY INFORMATION DATA FORMS" FOR NEW ITEMS THAT DID NOT APPEAR IN THEIR PREVIOUS AGENDAS, INCLUDING ** Referred To: Date: Referred To: OPC; MCNULTY 12-11-92 (5)(1)W/IN: (6)

(1) OPC; MCNULTY 12-11-92 (5) W/IN:
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INTERIM BY: DATE: OPR:
Sig. For: OPC/OPD Date Released: 08-09-93 MAU

Remarks

** ACTIONS THAT BEGAN AND ENDED BETWEEN ISSUES OF THE AGENDA. AGENCIES MUST SUBMIT ALL COMPLETED AGENDA MATERIALS TO OMB NO LATER THAN FEBRUARY 26, 1993; WITH ATTACHMENTS.

INFO CC: OAG, DAG, ASG, ATR.
(1) FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ACTION TAKEN.

Other Remarks:

(SEE EXEC. SEC. 93050508470, 93062112763.)
08-09-93: OPD RESPONDED BY LETTER DATED 03-30-93. (EHZ)

OLA CONTACT:

12/14/92 TTR FYI

FILE: OFFICE OF MANAGEMENT AND BUDGET

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1 DECEMBER.



U.S. Department of Justice

Office of Policy and Communications

Office of Policy Development

Office of the Director

Washington, D.C. 20530 March 30, 1993

Regulatory Information Service Center Suite 500 750 17th Street, N.W. Washington, D.C. 20006

TO WHOM IT MAY CONCERN:

Our staff has entered data for the April 1993 semiannual agenda into the Regulatory Information System using our own computer terminals.

We certify that as of March 30, 1993, this data is correct, and the enclosed materials accurately reflect the information in our data base as of today. We authorize the Center to combine the data to be printed as part of the April 1993 Unified Agenda.

If we have any changes to our data after this date, we will make them by notifying the staff of the Center by phone or in writing, and have Center staff make the updates or changes we request.

Sincerely,

Kevin R. Jones Acting Director





Washington, D.C. 20530

March 30, 1993

Office of Federal Register Washington, D.C. 20408

TO WHOM IT MAY CONCERN:

As Federal Register Liaison Officer, I authorize the Regulatory Information Service Center to assemble the enclosed signed preamble (original and two certified copies) with the computer printout of our regulatory agenda for submission to the Office of the Federal Register for publication in the Unified Agenda of Federal Regulations.

I also authorize the Government Printing Office to bill the Department of Justice for printing our agenda using Billing Code 9A090101.

(· V

Eric Posner

Attorney Advisor

Office of Legal Counsel



Billing Code 9A090101

DEPARTMENT OF JUSTICE

8 CFR Ch. I

21 CFR Ch. I

28 CFR Ch. I

Regulatory Agenda

AGENCY: Department of Justice.

ACTION: Regulatory agenda.

SUMMARY: The Department of Justice is publishing its April 1993 regulatory agenda pursuant to Executive Order No. 12291, "Federal Regulation," 3 CFR part 127 (1981 Compilation) and the Regulatory Flexibility Act, 5 USCA sections 601-612 (West 1984).

FOR FURTHER INFORMATION CONTACT: Erik Reid, Office of Policy Development, Department of Justice, Room 4248, 10th and Constitution Ave., NW, Washington, DC 20530 (202) 514-2456.

Dated: March 30, 1993

Kevin R. Jones,

Acting Director, Office of Policy Development.





OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

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MEMORANDUM FOR REGULATORY CONTACTS AT EXECUTIVE DEPARTMENTS

AND ESTABLISHMENTS

FROM:

James B. MacRae, Jr.
Acting Administrator
and Deputy Administrator
Office of Information and
Regulatory Affairs

SUBJECT:

April 1993 Unified Agenda of Federal Regulations

This memorandum describes guidelines and procedures for publishing the April 1993 <u>Unified Agenda of Federal Regulations</u> (see Attachment 1). There are no changes in the requirements for publishing the Agenda.

Agencies are asked to revise the computer printouts (Update Documents) of the information that appeared in the October 1992 Agenda and prepare "Regulatory Information Data Forms" for new items that did not appear in their previous agendas, including actions that began and ended between issues of the Agenda.

The Unified Agenda continues to help fulfill the statutory requirement for the <u>Procurement Regulatory Activity Report</u>, pursuant to the Office of Federal Procurement Policy Act Amendments of 1988 (41 U.S.C. 402).

All the materials you need to prepare your agenda are attached. Please remember to send us an original and two certified copies (or three originals) of your preamble and a letter (sample attached) authorizing the printing of the Agenda.

It is important that agencies meet the February 26, 1993, submission date. Late submissions could jeopardize agenda publication to the detriment of those agencies that submit on time. We may not be able to make any changes submitted to us by agencies after that date; therefore, please make sure your submission is accurate and complete as of that date.

It is also important that you provide in the Timetable section an estimated date for the "Next Action" -- the first action scheduled to occur after April 1, 1993. The entries for the Agenda will be sorted by agency and then into four categories according to their stage of rulemaking: Prerule, Proposed, Final, and Completed Actions. The computer will do this automatically, placing each entry according to the Next Action you provide. Please note that, for entries containing them, you



must indicate the stage of rulemaking for Supplemental Actions (11a) in order for these entries to be sorted properly.

Questions regarding the content of agency agendas may be directed to the appropriate desk officer in the Office of Information and Regulatory Affairs, OMB. Questions regarding the OFPP report may be directed to the Office of Federal Procurement Policy, Room 9013, New Executive Office Building, Washington, DC 20503, (202) 395-6803. Requests for additional materials and questions regarding production of agendas may be directed to the Regulatory Information Service Center, 750 17th Street NW., Suite 500, Washington, DC 20006, (202) 634-6220.

Attachments

cc:

Heads of Executive Departments and Establishments

Guidelines and Procedures for the April 1993 Unified Agenda of Federal Regulations

Background. The Unified Agenda of Federal Regulations is published semiannually under the authority of section 5 of Executive Order No. 12291 (Federal Regulation). In addition, the Agenda furthers the purposes of the Regulatory Flexibility Act (94 Stat. 1167; 5 U.S.C. 605). The Agenda also helps fulfill the requirement for a Procurement Regulatory Activity Report as required by the Office of Federal Procurement Policy Act Amendments of 1988 (OFPP Act) (102 Stat. 4055; 41 U.S.C. 402).

<u>Coverage</u>. The requirement to publish an Agenda applies to all executive departments and establishments subject to Executive Order No. 12291 and the OFPP Act. Those departments and establishments not subject to the Executive order or the OFPP Act are asked to follow the provisions of this memorandum on a voluntary basis in order to further the purposes set forth above.

Scope of the Unified Agenda.

- a. Regulatory agendas scheduled for publication in April 1993 shall describe all Significant and Other Rulemaking Actions that the agency expects to conduct or review during the 12 months following publication. This includes, at a minimum, any plans to publish or otherwise implement an Advance Notice of Proposed Rulemaking, a Notice of Proposed Rulemaking, or a Final Rule. This also includes any plans to conduct a review pursuant to 5 U.S.C. 610 or section 3(i) of Executive Order No. 12291. An agency need not include in its regulatory agenda those rulemaking actions that are excluded by section 1(a) of Executive Order No. 12291. Also, an agency need not include any additional rulemaking actions that OMB has agreed may be omitted.
- b. The Office of Management and Budget has determined that the data required for the <u>Procurement Regulatory Activity Report</u> should be included with the information collected for the Unified Agenda. The information provided by agencies for the Unified Agenda will be used by OFPP to produce this Report, thereby eliminating duplicate reporting requirements. Agency submissions of procurement-related regulatory actions must include information on all actions that are covered by section 22 of the OFPP Act. These submissions must also include all other actions that will result in a change in or addition to the Federal Acquisition Regulation (FAR) System (FAR and FAR supplements).

Structure of the Unified Agenda. The Unified Agenda will be structured as follows:



- a. Rulemaking actions will be grouped by agency and then by subagency.
- b. Within each agency grouping, rulemaking actions will be grouped according to the next regulatory action that the agency expects to take during the succeeding year. These groupings will be: (1) Prerulemaking Actions; (2) publication or other implementation of Notices of Proposed Rulemaking; (3) publication or other implementation of Final Rules; and (4) Completed Actions.

<u>Publication of the Unified Agenda of Federal Regulations for April 1993.</u>

- a. Agencies shall publish their respective portions of the April 1993 Unified Agenda in a uniform format. Agencies and commissions not subject to Executive Order No. 12291 are urged to use the uniform format for their regulatory agendas.
- b. Agencies shall submit the applicable forms and other documents to the Office of Management and Budget, Office of Information and Regulatory Affairs.

Applicable forms are (1) Agenda Update Documents (which are the computer printouts provided by OMB) and (2), for new regulatory actions, the Regulatory Information Data Form (one copy).

Each agency shall also submit <u>one signed original</u> and <u>two</u> <u>certified copies</u> of its preamble to its regulatory agenda. (Please note that the signature must be that of the person whose name and title appear below. One person may not sign for another person.) The preamble shall meet the normal requirements for printing in the <u>Federal Register</u>, including the agency's billing code and a list of CFR chapters affected.

Each agency shall submit to OMB a letter addressed to the Office of the Federal Register authorizing the Regulatory Information Service Center (the Center) to assemble the agency's agenda and authorizing the Government Printing Office (GPO) to bill the agency for printing its portion of the April 1993 Unified Agenda. An agency entering its own data into the Center's computer must certify that a paper copy of the data is correct.

c. OMB will ensure that all agency agendas are compiled and forwarded as one package to the Office of the Federal Register, which will have the GPO print them in a single day's issue of the Federal Register. Each agency will be able to obtain reprint copies of its individual agenda through the GPO procurement process.



<u>Submission Date</u>. Agencies must submit all completed agenda materials not later than February 26, 1993, to: Office of Management and Budget, Office of Information and Regulatory Affairs, Room 3236, New Executive Office Building, Washington, DC 20503.

<u>Further Information</u>. For further information on the requirements of this memorandum, contact your agency's desk officer in the Office of Information and Regulatory Affairs (OIRA), OMB.

For further information concerning the OFPP report, contact: Office of Federal Procurement Policy, OMB; telephone (202) 395-6803.

For further information concerning automated agenda production, information requirements, format, completion, or submission of agency agendas, contact: Regulatory Information Service Center; telephone (202) 634-6220.

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: DINGELL, CONG. JOHN D. CHMN, OVERSIGHT SUBCOMMITTEE
To: HODSOLL, FRANK, DEPUTY DIRECTOR, OMB (CC: AG.) ODD: NONE
Date Received: 12-17-92 Date Due: NONE Control #: X92121717876
Subject & Date
12-15-92 LETTER (COPY) FROM THE CHMN, SUBCOMTE ON OVERSIGHT
AND INVESTIGATIONS, COMTE ON ENERGY AND COMMERCE, TO THE
DEPUTY DIRECTOR FOR MANAGEMENT, OMB, THANKING HIM FOR HIS
AUGUST 11, 1992, LETTER RESPONDING TO THE SUBCOMTE'S
REQUEST FOR INFORMATION AS PART OF ITS CONTINUING INVESTIGATIONS OF OVERDUE TRAVEL ADVANCES AND DELINQUENT DINERS

GATIONS OF OVERDUE TRAVEL ADVANCES AND DELINQUENT DINERS
CLUB ACCOUNTS. THAT LETTER PROVIDED SEVERAL INSPECTOR
GENERAL REPORTS. THE CHAIRMAN ENCLOSES REPORTS FROM **

Referred To: Date:

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(4)			(8)				1
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Remarks

** THE INSPECTORS GENERAL AT THE DEPTS OF STATE, INTERIOR, AND HOUSING AND URBAN DEVELOPMENT, AS WELL AS THE FINAL REPORT OF THE DEPTS OF COMMERCE AND ENERGY. LISTS SEVERAL QUESTIONS HE WOULD LIKE A RESPONSE TO.
INFO CC: OAG, OAG (STEVENS), DAG, ASG, OIG, OLA (BURTON).
(1) FOR INFORMATION.

Other Remarks:

OLA CONTACT: 12/18/92 TTR FYI FILE: OFFICE OF MANAGEMENT AND BUDGET J921217 4980

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY



JOHN D. DINGELL, MICHIGAN, CHAIRMAN

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REID P.F. STUNTZ. STAFF DIRECTOR/CHIEF COUNSEL STEPHEN F. SIMS, DEPUTY STAFF DIRECTOR

H.S. House of Representatives

Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce Washington, DC 20515

December 15, 1992

Mr. Frank Hodsoll Deputy Director for Management Office of Management and Budget Executive Office of the President Washington, D.C. 20503

Dear Mr. Hodsoll:

Thank you for your August 11, 1992 reply regarding this Subcommittee's continuing investigations of overdue travel advances and delinquent Diners Club accounts. In that letter, I provided several Inspector General reports. Enclosed for your information are reports from the Inspectors General at the State Department, the Interior Department, and the Housing and Urban Development Department, as well as the final report of the Commerce Department and a letter from the Energy Department.

Your letter states:

GSA's Federal Travel Regulations provide uniform policies on the use of travel advances and Government contractor-issued charge cards (Diners Card). These regulations, copy enclosed, require agencies to minimize the use of cash advances through the use of government contractor-issued charge cards. The regulations require the agencies to establish internal financial controls for managing travel advances, including notifying employees of delinquencies in filing vouchers and repaying outstanding balances, and reimbursing employees promptly. The regulations require agencies to review outstanding travel advances and take steps to recover funds including offsets from employees salaries.

As for the use of government contractor-issued charge cards, the regulations outline the responsibilities of the agencies, the contractor, and the employees. The regulations clearly state that agencies and employees are responsible to pay for financial debts incurred through use of the charge



cards, and provide a series of remedies that can be taken in the event that debts are not paid.

The results of the Inspectors General audits, performed at your request, however, suggest that some agencies may not be in compliance with the Federal travel regulations, and that management attention is needed to improve agency management of these travel programs. I will make this issue an agenda item at the next meeting of the Chief Financial Officers Council and the President's Council on Management Improvement.

Have you taken "this issue" to the above Councils and met with the major Federal agencies? If not, why not? If yes, what has been the result of that action? While some agencies, like the Energy Department and Housing and Urban Development, appear to have few problems, other agencies, like the Commerce, Interior, State, and Transportation Departments, have significant problems. The Subcommittee has not yet examined agencies other than these. Some, like the State and Interior Departments, apparently have poor methods for keeping track of the problem. Corrective action is obviously needed on a uniform basis.

Your letter indicates that the General Service
Administration's travel regulations "require" agencies to
"minimize the use of cash advances through the use of government
contractor-issued charge cards." The regulations state that
"employees traveling on official business are responsible for
meeting their current travel expenses. However, Federal
employees should not have to pay official travel expenses
entirely from personal funds unless the employee has elected not
to use alternative resources made available by the Government."
It further states that "to alleviate the need for employees to
use personal funds, agencies may issue travel advances...". The
rules also provide that agencies "shall offer" charge cards to
"all employees who are expected to travel at least twice a year."

The IG reports seem to show that agencies may be providing travel advances and credit cards and that there is little evidence that the agencies are seeking to minimize travel advances through the use of such cards. Most importantly, the IG reports indicate that both means of financing travel are not being well-monitored and controlled. Clearly, these rules are not being followed fully at all agencies and the GSA and OMB are not enforcing the rules against the agencies. I want to know why. I also want to understand the advantages and disadvantages to the Government and to employees of minimizing travel advances in favor of credit cards.



Mr. Frank Hodsoll Page 3

I might add that one complaint often heard from employees is that agency reimbursements to employees for travel expenses are often not made "promptly" which can cause them to be delinquent in paying credit card debt. It may be that the Government should make travel advances the exception not the rule, but only if the agencies also guarantee timely reimbursement of travel expenses in order to avoid delinquencies in regard to credit cards. No employee should be required to finance the cost of official travel because an agency is slow in providing reimbursement.

Your letter states that the "regulations clearly state" that both "agencies and employees are responsible for financial debts incurred through the use of the charge cards." I understand that the agencies claim that they are not responsible for such debts. They give the impression that to the extent they provide help to Diners Club, they are doing so as a favor and not as an obligation. I share your view. I believe that the agencies have an obligation to ensure that credit card debt is paid on time. I believe that your agency and the GSA must take steps to inform the agencies of this obligation. Please advise me of the actions you and the GSA have taken or plan to take.

Please also explain the impact of Diners Club write-offs on future and present contracts with Diners Club for the credit card service. What does the Government pay for this service?

I request your reply within 30 days after receipt of this letter.

With every good wish

John D. Dingell Chairman

ncerely

Subcommittee on Oversight and Investigations

Enclosure

cc: The Honorable Thomas J. Bliley, Ranking Republican Member Subcommittee on Oversight and Investigations

The Honorable Lawrence S. Eagleburger, Acting Secretary Department of State



Mr. Frank Hodsoll Page 4

The Honorable Barbara H. Franklin, Secretary Department of Commerce

The Honorable Manuel Lujan, Jr., Secretary Department of Interior

The Honorable Jack F. Kemp, Secretary Department of Housing and Urban Development

The Honorable James D. Watkins, Secretary Department of Energy

The Honorable Edward R. Madigan, Secretary Department of Agriculture

The Honorable Dick Cheney, Secretary Department of Defense

The Honorable William P. Barr, Attorney General Department of Justice

The Honorable William K. Reilly, Administrator Environmental Protection Agency

The Honorable Charles A. Bowsher, Comptroller General General Accounting Office





United States Department of State RECEIVED

The Inspector General PM 1:03

Washington, D.C. 20520 SUSCENSTREE ON OVERCIGHT AND IN A STORAGE COME

September 10, 1992



CVNV

The Honorable John D. Dingell Chairman, Subcommittee on Oversight and Investigations Committee on Energy and Commerce House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is my response to the questions in your letter of June 26, 1992, concerning overdue travel advances and delinquent Diners Club card charges. For your convenience, each question, or part thereof, has been restated, then followed with my response. Please note that according to Mr. David B. Finnegan, your Subcommittee's Counsel, question 4 does not apply to the State Department and no response is required.

While the Department's written policies and procedures for obtaining and clearing travel advances, and for using the Diners Club card are in place, we found that the Department continues to be plagued with poor quality systems that fail to provide management with reliable and timely information. As a result, the Department cannot adequately track advances to filed or delinquent travel vouchers.

The Department has reported outstanding travel advances as a material weakness in the Federal Manager's Financial Integrity Act since 1986. Officials from the Bureau of Finance and Management Policy (FMP), the office responsible for processing and accounting for travel advances, are well aware of the problems and are working toward fully implementing the Central Financial Management System (CFMS). FMP officials anticipate that full implementation of CFMS and other actions should correct the deficiencies in the accounting for travel advances. We will monitor their progress.

On a positive note, our review of delinquent Diners Club/Citicorp accounts found that the Department has one of the lowest write-off rates for federal agencies billing more than \$1 million a month. Citicorp representatives informed us they were not concerned with the dollar amount of write-offs, based on the Department's annual volume of business. Nevertheless, Department officials are committed to further reducing the number and amount of write-offs using the limited means available to them. In addition, although some Department travelers do not pay their outstanding balance within the



prescribed 30 days after being billed, Diners Club officials stated that this was not a serious problem, given the lengthy international travel performed by Department employees and the fact that most outstanding charges are paid in full within 90 days after the first billing date.

The information in the enclosure was assembled by my Office of Audits, Financial Management Division, and was based on information provided by FMP, selected bureaus, and Diners Club representatives. If you or your staff have any questions, please contact me on (202)-647-9450 or Mr. John Payne, my Assistant Inspector General for Audits, on (202)-647-7096.

Sincerely,

Sherman M. Funk

Enclosure: +o D&F
As stated

OVERDUE TRAVEL ADVANCES

Question 1 part 1

Please provide a detailed report by office and agency within your Department of the extent and length of overdue travel advances of Federal money.

Response

Officials from the Bureau of Finance and Management Policy (FMP), the office responsible for processing and accounting for travel advances, initially informed us that the Department's total outstanding travel advances were \$8.8 million. However, we subsequently found that FMP did not include an additional \$4.9 million in outstanding advances charged to overseas allotments — thus bringing the Department's total outstanding advances as of June 30, 1992, to approximately \$13.7 million. The \$4.9 million omission occurred because neither the Department's Financial Management System (FINMAN) nor the Central Financial Management System (CFMS) specifically reports travel advances charged to overseas posts' allotments. The overseas data had to be manually compiled in order to derive the advances charged to posts' funds.

In our opinion, the accuracy of the FMP figures is questionable. Specifically, reporting is incomplete because the interface between the National Finance Center's (NFC) system, the Overseas Financial Management System (OFMS), and the CFMS often results in rejected transactions, which are not reviewed and corrected on a timely basis. For example, FMP officials provided us with a report listing approximately 400 transactions rejected by the CFMS/NFC interface for Fiscal Year 1992 alone. addition, both the CFMS travel advance aging report and the FINMAN travel advance report contain numerous errors, such as travelers reported in the wrong bureau. FMP officials agreed that the figures in both CFMS and FINMAN are inaccurate. fact, the FINMAN system summarizes outstanding travel advances by appropriation rather than by bureau. Consequently, rather than provide this data, we have summarized the outstanding travel advances in total from the CFMS and FINMAN accounting systems. The totals, as shown in the table on page 2, represent cumulative figures as of June 30, 1992.



ACCOUNTING SYSTEM	AMOUNT REPORTED OUTSTANDING
CFMS	\$11,380,775 ¹
FINMAN	2,323,285
TOTAL	\$13,704,060

Question 1 part 2

Please explain why they are overdue under the Department's policies, practices, and procedures.

Response

The Department's Federal Manager's Financial Integrity Act (FMFIA) report and action plan has identified travel advances as a material weakness since 1986. In addition, overdue travel advance problems were reported in earlier Office of Inspector General (OIG) and General Accounting Office (GAO) reports. These reports stated that delinquent travel advances have resulted from inaccurate accounting for and monitoring of advances. Although the total amount of overdue travel advances has been reduced from \$26 million in 1986 to \$13.7 million as of June 30, 1992, the reduction was primarily due to the increased use of the Diners Club card and increased attention to overdue travel advances by FMP. Many of the systems' problems previously reported still exist and are scheduled to be corrected during FY 1993.

For example, based on a non-statistical sample, we reviewed 30 overdue travel advances. Of the 30 overdue items, 11 vouchers were apparently submitted to liquidate the advance, but were rejected by one of the systems. The rejections were primarily due to miscodings of fiscal data. An additional two vouchers were processed in the wrong system (i.e., were processed in FINMAN, but should have been processed under CFMS, or vice versa). These rejected vouchers were placed in a suspense file with hundreds of other rejected items, each of which will have to be researched and resolved.

Of the remaining 17 overdue advances, seven travelers appeared either not to have filed a voucher or not to have repaid the unused portion of the advance. However, because of the inaccurate information contained in the travel advance reports, FMP travel advance personnel stated that they were not completely

Includes \$4.9 million in advances charged to overseas posts' allotments.



certain that these travelers owed the balance due. Two additional travelers submitted payment subsequent to the date of the report and no longer have an outstanding advance. The status of the remaining eight could not be determined without additional extensive research.

In addition, FMP has recently informed us of its intent to write-off \$109,835.09 in travel advances charged to two bureaus prior to FY 1984. These advances are being written-off because the FINMAN system did not contain sufficient information to identify the travelers and neither FMP or the bureaus maintained documentation to track the advances.

The FMP travel advance unit is responsible for researching and correcting miscodings. However, the volume of the ongoing miscodings and errors caused by system inconsistencies makes it difficult for the FMP travel advance staff to review and collect overdue travel advances, identify delinquent accounts, and answer travelers' inquiries.

FMP officials anticipate that the backlog of overdue travel advances will be reduced and future monitoring of advances will be better controlled as a result of future improvements to CFMS and the related interfaces with NFC and OFMS, as well as filling several vacant positions.

Question 1 part 3

Are those policies, practices, and procedures adequate and effective? What are they? Are they being ignored or winked at?

Response

While we believe that the Department policies and procedures regarding the filing of travel vouchers are adequate, we found that the Department continues to be plagued with poor quality systems that fail to provide management with reliable and timely information. As a result, the Department cannot adequately track advances to filed or delinquent travel vouchers.

According to Department regulations, travelers are responsible for repaying a travel advance by submitting a travel voucher or direct refund within five days after completing temporary-duty (TDY) travel, within seven days after permanent change of station (PCS) travel, or within seven days after every 30 days for extended travel orders. A new travel advance is not allowed until prior travel advances are liquidated. In addition, Department regulations require bureaus to notify the traveler, preferably by memorandum, if the final voucher is not submitted within ten calendar days after the completion of travel, if



repayment is not made following travel completion, or if the voucher submitted is insufficient to cover the outstanding advance.

While we found some instances where travelers either failed to file a travel voucher or failed to file in a timely fashion, we believe the primary cause for many of the Department's overdue travel advances stems from the delay in fully implementing an automated, completely integrated system that provides reliable and timely travel advance information to the bureaus. The lack of reliable information hinders bureaus from ensuring that vouchers are filed and repayment is made promptly upon completion of travel.

The lack of accurate information also makes it difficult for FMP to collect delinquent accounts through payroll deductions or to initiate disciplinary action for failure to reimburse the Department. Regulations require the Department to notify an employee at least 30 days in advance of the Department's intent to collect an outstanding advance via payroll deduction. We were informed that CFMS has a feature that will automatically issue these notifications to employees if the outstanding advance has not been liquidated within 30 days after the travel completion date. However, due to the inaccurate data, FMP does not use this feature. As a result, FMP personnel must verify that the data is correct, confirm the information with the bureau, and manually prepare the notice to the traveler.

FMP management believes that increased staffing and resources, and improvements to CFMS and the related interfaces with NFC and OFMS should enable it to improve accounting of travel advances, thus providing the bureaus with a useful tool to track outstanding advances.

DELINQUENT DINERS CLUB ACCOUNTS

Question 2 part 1

Please explain to me how, in any month, the Department permits such large overdue accounts in the case of charge cards? Please provide the report of all such accounts from January 1990 to the present.

Response

As of July 31, 1992, Department travelers had a total of \$95,846.19 in charges outstanding for 90 or more days. This figure, as shown in the chart on page 5, represents 4.7 percent of the total amount outstanding. In other words, more than 95 percent of the outstanding balances are paid within 90 days.



BALANCES ²	AMOUNT	PERCENT OF TOTAL
Current	\$1,073,459.79	52.71%
30 Days	597,777.93	29.35%
60 Days	269,497.90	13.23%
90+ Days	95,846.19	4.71%
Total	\$2,036,581.81	100.0%

Diners Club reports cumulative balances on a monthly basis to the Department and, therefore, could not provide us with a monthly listing of delinquent accounts since January 1990. In addition, although FMP receives Diners Club delinquency reports on a monthly basis, the reports are separated by bureau and immediately distributed. A copy of the complete report is not maintained in FMP. Since we are unable to provide you with the historical information on a monthly basis, we will request that FMP provide you a copy of the complete report when the next one is received from Diners Club.

Most State Department travel primarily consists of lengthy international trips. This often results in travelers being delinquent on their Diners Club accounts before they have received their travel reimbursement. While this results in the Department's 30-day and 60-day delinquency rates being higher than those of other Federal agencies, Diners Club officials stated that they do not regard the figure as exorbitant, nor were they overly concerned, considering the amount and duration of international travel performed by Department employees.

Question 2 part 2

If the employees are "continuously" overdue, what actions can the Department take to halt this practice?

Response

Department regulations require that employees expecting to travel more than once a year apply for and use the Diners Club card. The Department views the Diners Club card program primarily as a matter between the employee and Diners Club. The

Per Diners Club Performance Report, dated 7/31/92



government assumes no liability for the charges incurred by the traveler. However, this does not mean that Department officials are unconcerned about delinquent Diners Club card balances. According to Department regulations, employees are to pay their just financial obligations in a proper and timely manner. In addition, Department travel regulations expressly forbid a travel advance from being issued to an employee when "use of the charge card has been suspended or canceled due to the employee's negligence or non-payment." The Department cannot collect on overdue accounts for Diners Club. However, via acceptance of the card agreement, employees authorize Diners Club to seek assistance from the Department if, for any reason, the employee fails to pay any charge within 60 days of the date of the first billing statement on which the charge appeared.

We found that the Department has taken a proactive approach to getting travelers to fulfill their financial obligations to Diners Club. In August 1991, FMP officials designated an FMP accountant to be a Diners Club card program coordinator. The program coordinator acts as the Department's liaison with Diners Club. The coordinator assists Diners Club in locating employees and sending in card applications and cancellations. In addition, the program coordinator receives and distributes Diners Club activity and delinquency reports to a Diners Club coordinator in each bureau. The reports from Diners Club, which are distributed to the bureaus on a monthly basis, list the amount and type of charges incurred, and the cumulative amounts owed by each traveler.

Question 2 part 3

What actions has the Department taken? Does the Department revoke cards?

Response

We met with several bureau coordinators to discuss their role in preventing and reducing delinquent Diners Club accounts. Although the Diners Club reports list the amounts outstanding for at least 30 days, the bureau coordinators we spoke to pay little attention until the unpaid balance is more than 60 days old. At the 60-day mark, most bureau coordinators remind the employee, either via memorandum or phone call, to pay the bill (some also notify the employees' supervisor at this time). If the employee's name appears again, they inform the employee and also contact the supervisor. Lastly, the bureau can, with assistance of the FMP program coordinator, suspend or cancel the card. Although the bureau and FMP officials we spoke to stated they have canceled cards, no documentation existed that would allow us to verify the total number of cards canceled for lack of payment.



There were also no instances of employees being disciplined for failing to pay their Diners Club card bills in a timely manner.

Question 3

Please explain why Citicorp had to write-off any sums in the case of (Department of State) employees, particularly if they are still employed by (the Department of State). I am concerned about the impact of such a "write-off" on Citicorp. Did such a write-off occur in 1991? If yes, what was it?

Response

As shown in the chart below, Diners Club has written off \$71,039.35 since the program was first fully implemented in 1989. Diners Club officials informed us that the Department's write-off balance is the second lowest in the government for agencies that bill more than \$1 million a month. In addition, Diners Club officials estimated that the Department's write-offs as a percentage of sales (which Diners Club estimated as \$40 million since 1989) is one of the lowest in government.

Calendar Year	Number of Accounts Written-Off	Number of Accounts Subsequently Collected in Full	Balance of Remaining Accounts
1989	11	7	\$ 4,116.19
1990	13	4	30,855.40
1991	17	6	17,954.77
1992 ⁵	7	1	18,112.99
Balances	48	18	\$71,039.35

Diners Club's policy is to write off accounts that have been delinquent for more than 360 days. However, Diners Club continues its collection efforts and does not relieve the

Current through August 1, 1992.



^{\$71,039} divided by \$40,000,000 is 0.1776 %.

Diners Club could only provide the number of accounts written off. It was unable to provide the dollar amount of the initial write-offs.

Department employees of the debt. Discussions with Diners Club officials revealed that the primary reason for the write-offs is that the cardholder does not have the funds to pay the balance when due.

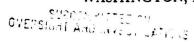
As we have previously stated, the Department cannot act as a collection agent for Citicorp. The Department does, however, provide Citicorp with assistance in locating employees and informing the employees' bureau of delinquent amounts. A Diners Club official told us that they believe that FMP's program coordination is one reason that the Department's write-offs are so low.

Of the 48 accounts written off since 1989, we found 14 for which the employees were still on the Department's payroll. Until our review, FMP officials were unaware that any individuals with accounts written off were still employed by the Department. FMP will investigate these accounts and, if warranted, recommend administrative action against the employees for failing to pay their Diners Club bills.





92 SOBFIGE OF INSPECTOR GENERAL WASHINGTON, D.C. 20240



SEP - 4 1992





Honorable John D. Dingell
Chairman, Subcommittee on Oversight and
Investigations
Committee on Energy and Commerce
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This responds to your June 26, 1992, letter requesting a review of overdue travel advances and delinquent charge card accounts (with the Citicorp Diners Club Government Card Program) as these issues relate to Department of the Interior employees. You requested specific information on (1) the extent, length, and causes of overdue advances and the adequacy of control procedures regarding these advances; (2) delinquent Diners Club accounts from January 1990 to the present and the Department's actions addressing the issue; and (3) why Diners Club accounts have to be written off for current employees and a report on accounts written off during 1991. You also requested a summary of actions taken since September 1991 to resolve overdue travel advances and delinquent accounts.

To respond to your request, we reviewed the systems employed to control overdue travel advances and delinquent charge accounts for the bureaus and offices within the Department of the Interior. We found that travel advances were overdue because adequate controls had not been effectively implemented and because the offset of salaries to recover delinquent advances was accomplished by installments rather than by the required lump-sum payments. Bureau officials stated that tracking advance payments and reimbursements under their old financial systems had been the cause for slow implementation of adequate collection procedures. They believed that installation of the new Federal Financial System in each bureau would help resolve the problem of overdue travel advances. These officials further stated that instructions to offset delinquent travel advances by lump-sum payments rather than by installments had already been issued by the Department.

We found that Diners Club accounts were delinquent and were written off because individual cardholders had not met their responsibilities for paying card charges. Until recently, under the agreement between Diners Club and the individual, Departmental bureaus could only encourage employees to pay their accounts on a



timely basis. In July 1992, the Department issued new guidance specifying penalties against card abusers, such as suspension or dismissal for insubordination, if the employees do not comply with supervisors' requests to settle overdue charge accounts. While the policy has not been in place long enough to be assessed properly, we believe that this policy, if properly implemented, will substantially resolve the problem of delinquent accounts.

Detailed responses to your questions are provided as Enclosure 1, and information on the extent of overdue advances, on delinquent charge accounts, and on the write-offs of accounts is provided as Enclosures 2, 3, and 4, respectively. The Department's policy statements on overdue advances and delinquent charge accounts are provided as Enclosure 5.

We were unable to provide the information on delinquent accounts for the time frame requested because the applicable bureaus did not retain the reports in question and because Diners Club officials, stating that it would be "cumbersome" and "time consuming," would not reproduce the reports. We did not attempt to obtain the applicable information through subpoena or other means because this would have delayed our response to you. Also, inclusion of the reports would not have affected the substance of the information we are providing.

If you need additional information regarding this matter, please call me at (202) 208-5745.

Sincerely,

James R. Richards Inspector General

Enclosures (5) + BBF



ANSWERS TO QUESTIONS BY REPRESENTATIVE JOHN D. DINGELL, CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, ON OVERDUE TRAVEL ADVANCES AND DELINQUENT DINERS CLUB ACCOUNTS WITHIN THE DEPARTMENT OF THE INTERIOR

This enclosure responds to four questions contained in Representative Dingell's June 26, 1992, letter to the Department of the Interior's Inspector General.

Question 1. Please provide a detailed report by office and agency within your Department of the extent and length of overdue travel advances of Federal money. Please explain why they are overdue under the Department's policies, practices, and procedures. Are those policies practices, and procedures adequate and effective? What are they? Are they being ignored or winked at?

Answer. Enclosure 2 details \$1,482,960 in overdue travel advances as of June 30, 1992, for 2,719 employees of the 10 bureaus within the Department.

Travel advances are overdue within the Department because some bureaus have been slow in implementing Departmental policies and procedures designed to control repayment. For example, one bureau stated, "We have been concerned with this situation for quite sometime; however, due to other demands that we considered higher priority . . . we were unable to apply resources to clear old travel advances and prevent them from recurring." Travel advances are also overdue because some offsets of salaries used to recover overdue advances were deducted in installments rather than by lump-sum payments.

The bureaus cited the difficulty of tracking advances and repayments under old financial management systems as one of the main reasons for the pace of implementation and expected improved tracking with the installation of the new Federal Financial System. Bureau officials stated that the current overdue account balance was "probably overstated" and would be reduced after the new financial system was in place and old records were reconciled.

We did not audit the advance balances reported by the bureaus in the June 30 report and are not expressing an opinion on their accuracy. We agree with the bureaus that AMERICANif the problem causing the suspected inaccurate balances is systemic, the problem NARA-18-1003-A-003025

should be corrected as the old and new financial systems are reconciled. We will monitor and report on the progress of the proposed reconciliations and corrections as part of the Inspector General's continuing audit responsibilities.

The Department's policies, practices, and procedures for controlling travel advances are based on guidance provided in Chapter 41 of the Code of Federal Regulations. Section 301-10 of these regulations requires overdue accounts to be recovered by an offset of salary due. The Department issued Financial Administration Memorandum No. 90-076, dated September 6, 1990, requiring travelers to file travel vouchers for reimbursement of expenses within 5 working days of completing travel and to pay the full amount of the advance when filing. If a travel voucher is not filed within 30 days of the completion of travel, the traveler is notified to settle the advance immediately. If settlement is not made, payroll deduction is to be initiated 15 days later. Some bureaus believed that the instructions allowed deductions to be made in installments. On July 30, 1991, Memorandum No. 91-055 addressed the issue of installment deductions, explaining that delinquent advances were to be deducted in full.

On May 29, 1992, the Assistant Secretary - Policy, Management and Budget issued a memorandum criticizing the effectiveness of the Department's handling of overdue advances and requiring a plan of action from each bureau to reduce delinquent advances. This memorandum has resulted in renewed activity to improve the control of advances. In our opinion, the policies that are in place (especially the ability to offset advances due against salaries due) are adequate to control travel advance repayments if properly implemented.

Question 2. Please explain to me how, in any month, the Department permits such large overdue accounts in the case of charge cards? Please provide the report of all such accounts from January 1990 to the present. If the employees are "continuously" overdue, what actions can the Department take to halt this practice? What actions has the Department taken? Are they effective? Does the Department revoke cards?

Answer. Under the terms of the Diners Club Government Card Program Employee Card Account Agreement, the Federal Government bears no liability for charges made on charge card accounts. Liability rests solely with each individual card member. The agreement states that Diners Club may ask an employee's agency for assistance in collecting delinquent accounts. As part of this assistance, Diners Club sends Federal agencies management information reports on purchases made by individuals and on overdue accounts. However, because there was no formal basis to enforce repayment, Departmental agencies could only encourage employees to pay delinquent accounts.

Departmental agencies did not retain the management information reports on delinquent accounts submitted by Diners Club from January 1990 to the present, and Diners Club did not provide the information because personnel stated it would be "cumbersome" and "time consuming" to reproduce the reports covering the 31month period you requested. In order to be timely in our response to your MERICAquestions, we did not attempt to obtain this information from Diners Club through ERSIGHT

subpoena or other means. Instead, we have provided Diners Club's August 15, 1992, report of overdue accounts (Enclosure 3), which summarizes delinquent accounts from September 1991 through July 1992.

Diners Club did not formally raise the issue of delinquent accounts to Federal agencies until February 1991. Since that date, the Department has made a concerted effort to reduce the balance of delinquent accounts. As a part of this effort, guidelines containing penalties against employees who abuse accounts were issued on July 17, 1992. The guidance allows the Department to suspend without pay or to eventually dismiss employees for insubordination if clear orders from supervisors to resolve delinquent accounts are not followed. There has not been sufficient time to assess the effectiveness of this policy.

The Department of the Interior does not have the authority to revoke charge cards under the agreement between Diners Club and individuals. Diners Club policy is to suspend the cards of accounts that are over 60 days delinquent and to revoke the cards of accounts delinquent for over 120 days. Before suspending or revoking a card, Diners Club notifies and seeks the concurrence of the employee's agency.

Question 3. Please explain why Citicorp had to write off any sums in the case of [Department of the Interior] employees, particularly if they are still employed by [the Department]. I am concerned about the impact of such a "write-off" on Citicorp. Did such a write-off occur in 1991? If yes, what was it?

Answer. We have included a summary of the delinquent accounts written off by Diners Club for 1991 (Enclosure 4). Diners Club policy is to write off accounts as uncollectible if payment of the account balance is not made within 360 days of billing. Again, under the terms of liability for the card, the Department did not have a formal means to enforce account payments, and some accounts for current employees remained unpaid for the 360-day limit.

Question 4. Please provide in chronological order the actions taken since September 10 [1991] to resolve these problems satisfactorily.

Answer. Pertinent policy statements issued to address problems associated with travel advances and with Diners Club delinquent accounts are provided (Enclosure 5).



Department of the Interior **Overdue Travel Advances** as of Quarter Ending June 30, 1992

# Bureau 60048	<u>61-9</u>	0 Days	Ove	er 90 Days	<u>T</u>	otal Overdue
	<u>No.</u>	Amount	No.	Amount	<u>No.</u>	Amount
# Bureau Bureau of Land Management: Temporary Permanent Change of Station Total	24	\$3,299	22	\$4,946	46	\$8,245
	_6	_12,581	<u>8</u>	7,063	14	19,644
	<u>30</u>	\$15,880	<u>30</u>	\$12,009	60	\$27,889
Minerals Management Service: Temporary Permanent Change of Station Total Office of Surface Mining.	9 <u>1</u> <u>10</u>	\$2,994 165 \$3,159	13 <u>4</u> <u>17</u>	\$2,510 <u>7,037</u> \$ 9,547	22 <u>5</u> <u>27</u>	\$5,504
Office of Surface Mining, Reclamation and Enforcement: Temporary Permanent Change of Station Total	2	\$696	0	0	2	\$696
	0	0	<u>0</u>	<u>0</u>	<u>0</u>	0
	2	\$696	<u>0</u>	<u>0</u>	<u>2</u>	\$696
Bureau of Reclamation: Temporary Permanent Change of Station Total AMERICAN OVERSIGHT	13 <u>1</u> <u>14</u>	\$2,110 <u>521</u> \$2,631	330 19 349	\$49,917 <u>35,057</u> <u>\$84,974</u>	343 <u>20</u> <u>363</u> NARA-1	\$52,027 <u>35,578</u> <u>\$87,605</u> 8-1003-A-003028

Enclosure 2 Page 2 of 3

Bureau	61-9	00 Days	Ove	r 90 Days	To	Total Overdue	
	No.	Amount	No.	<u>Amount</u>	No.	<u>Amount</u>	
□U.S. Geological Survey:							
Ö <u>U.S. Geological Survey:</u> ➤ Temporary	36	\$32,857	90	\$40,866	126	\$73,723	
#Permanent Change of Station Total Bureau of Mines: Temporary	4	4,943	<u>14</u>	8,458	<u>18</u>	13,401	
S Total	<u>_4</u> <u>40</u>	\$37,800	<u>104</u>	\$49,324	<u>144</u>	\$87,124	
48							
C							
거 <u>Bureau of Mines:</u>	_	****	•			***	
'S' Temporary	2	\$871	0	45.240	2	\$871	
Permanent Change of Station	<u>0</u> <u>2</u>	<u>0</u>	<u>2</u> <u>2</u>	\$5,348 \$5,348	2 <u>2</u> <u>4</u>	5,348	
5 Total 2	₹	\$871	₹	<u>\$5,348</u>	4	<u>\$6,219</u>	
Document Change of Station 16 Permanent Change of Station 17 Total 20 Document Change of Station 18 Temporary 19 Temporary 10 Total 10 Total 10 Total 10 Total							
○U.S. Fish and Wildlife Service:							
·· Temporary	33	\$12,081	134	\$28,560	167	\$40,641	
Permanent Change of Station		42,982	<u>69</u>	123,340	<u>83</u>	166,322	
OTotal	<u>14</u> <u>47</u>	\$55,063	203	\$151,900	250	\$206,963	
562				·			
14							
Park Service: Temporary							
്ര Temporary	114	\$35,868	956	\$320,080	1070	\$355,948	
Permanent Change of Station	<u>67</u>	147,950	359	411,001	426	558,951	
[™] Total	<u>181</u>	<u>\$183,818</u>	<u>1,315</u>	<u>\$731,081</u>	<u>1,496</u>	<u>\$914,899</u>	



Enclosure 2 Page 3 of 3

Bureau	<u>61-90</u> <u>No.</u>	0 Days Amount	Over 90 Days No. Amount		<u>Total Overdue</u> <u>No. Amount</u>
	110.	Amount	110.	Amount	ino.
Bureau of Indian Affairs: * Temporary Permanent Change of Station Total	67 _2 <u>69</u>	\$23,350 	233 <u>37</u> <u>270</u>	\$56,909 _43,698 \$100,607	300 \$80,259 39 44,403 339 \$124,662
Office of the Secretary: Temporary Permanent Change of Station Total	8 <u>1</u> 2	\$6,979 <u>1,212</u> <u>\$8,191</u>	25 00 <u>25</u>	\$6,006 0 \$6,006	33 \$12,985 1 1,212 34 \$14,197
TOTAL	<u>404</u>	<u>\$332,164</u>	<u>2,315</u>	<u>\$1,150,796</u>	<u>2,719</u> \$1,482,960

^{*}Bureau of Indian Affairs information was taken from the Department of the Interior audit report entitled "Selected Travel Practices, Bureau of Indian Affairs" (No. 92-I-944), dated June 1992.

Department of the Interior Summary of Delinquent Diners Club Accounts as of August 15, 1992

		119 Days		0-149 Days		330 Days
<u>Bureaus</u>	No.	<u>Amount</u>	No.	Amount	No.	<u>Amount</u>
Bureau of Land Management:	28	\$10,625	12	\$2,934	20	\$9,633
Minerals Management Service:	3	1,817	1	749	0	0
Office of Surface Mining, Reclamation and Enforcement:	0	0	0	0	2	568
Bureau of Reclamation:	28	8,938	7	3,827	19	6,090
U.S. Geological Survey:	28	7,768	11	4,192	20	15,227
Bureau of Mines:	2	462	2	997	2	97
U.S. Fish and Wildlife Service:	27	9,259	9	2,678	28	8,123
National Park Service:	47	15,103	12	3,844	57	15,892
Bureau of Indian Affairs:	190	57,137	70	27,357	212	45,393
Office of the Secretary:	_4	2,383	_2	<u>738</u>	_1	2,686
TOTAL	357	<u>\$113,492</u>	<u>126</u>	<u>\$47,316</u>	<u>361</u>	<u>\$103,709</u>



Department of the Interior Summary of Write-Offs for Diners Club Accounts for Calendar Year 1991

60048	Bureau	Curre No.	ent Employees Amount	Former Employees No. Amount	No.	Total Amount
(URTS	Bureau of Land Management:	3	\$1,217	5 \$1,149	8	\$2,366
'S 16452	Minerals Management Service:	0	0	1 3,402	1	3,402
.52) Docld:	Office of Surface Mining, Reclamation and Enforcement:	0	0	1 100	1	100
	Bureau of Reclamation:	1	200	7 7,250	8	7,450
70106644	U.S. Geological Survey:	7	7,537	9 7,369	16	14,906
644	Bureau of Mines:	0	0	0 0	0	0
Page :	U.S. Fish and Wildlife Service:	2	823	7 3,298	9	4,121
150	National Park Service:	5	2,305	9 17,341	14	19,646
	Bureau of Indian Affairs:	30	13,681	38 15,370	68	29,051
	Office of the Secretary:	_0	0	<u>1</u> <u>370</u>	_1	370
•	AMERICAN OVERSIGHT	<u>48</u>	<u>\$25,763</u>	<u>78</u> <u>\$55,649</u>	126 NARA-18	\$81,412 8-1003-A-0030

Enclosure 5

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office of the secretary



WASHINGTON, D.C. 20240

MAR 29 1990

FINANCIAL ADMINISTRATION MEMORANDUM NO. 90-026 (II.G.1)

To:

Bureau Assistant Directors, Administration

Director, Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

From:

Chief, Division of Financial Administration (PFM)

Subject: Supplemental Travel Advance Reporting Requirement

The purpose of this memorandum is to add a supplemental travel advance reporting requirement for the monthly travel advance reports. The supplemental requirement is to report the overall percentage of travel advances that are outstanding over 60 days in the comments section of the monthly travel advance reports. This requirement is effective with the April 1990 report due to PFM by May 17.

The reason for this requirement is that the calendar year 1990 travel goals, in addition to the dollar amount outstanding goals, include a provision to reduce advances over 60 days old to 20%. The CY 90 goals were submitted to the line Assistant Secretaries on March 29, 1990. A copy of that memorandum was distributed to each bureau finance officer. Should you have questions or require additional information, please contact Bill Webber on (FTS) 343-5223.

Philip J. Daniels

Prior Financial Administration Memorandums on this subject:

88-028 (II.G.1) dated March 22, 1988 - Active



1





OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

SFP - 6 1990

FINANCIAL ADMINISTRATION MEMORANDUM NO. 90-076 (II.G.1.)

To:

Bureau Assistant Directors, Administration Director, Office of Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

Fram:

Chief, Division of Financial Administration

Office of Financial Management

Subject: Departmental Advance Policies and Procedures

Attached is a copy of a memorandum issued by the Director of Budget and Program Resources, dated August 23, 1990. This memorandum transmits the revised Departmental Policies and Procedures for Issuing and Controlling Travel Advances.

The previous Departmental policies and procedures governing travel advances were based on Office of Management and Budget (OMB) Bulletin 88-17 which has been codified in 41 CFR Part 301-10, Source of Funds. There were no substantive changes as a result of this codification or in the revised Departmental policies and procedures.

Please provide this information to all personnel involved in approving travel authorizations, requests for travel advances, and travel reimbursement vouchers.

Should you have questions or require additional information on this subject, please contact Bill Webber of this Division on 208-5223 or FTS 268-5223.

Philip J. Daniels

Attachment

Prior Financial Administration Memorandum on this Subject:

No. 90-072 (II.G.1.), September 4, 1990 - Active No. 88-089 , September 21, 1988 - Cancelled



Celebrating the United States Constitution NARA-18-1003-A-003035





OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

AUG 23 1990

Memorandum

To:

Assistant Secretaries

Solicitor

Inspector General

Heads of Bureaus and Offices

From:

Director of Budget and Program Resource Management

Subject: Departmental Travel Advance Policies and Procedures

Federal Travel Regulation (FTR) Amendment 9 was issued in the Federal Register March 23, 1990. This rule codified the provisions formerly promulgated as Temporary Regulation A-34 under the Federal Property Management Regulation System governing travel advances. There were no substantive changes to the allowances or entitlements in the final rule. The changes made were reformatting, renumbering, and editorial. Attachment 1 is a copy of 41 Code of Federal Regulations (CFR) Part \$301-10 Sources of Funds as issued in FTR Amendment 9. The Departmental Policy and Procedures for Issuing and Controlling Travel Advances has been updated to reflect the changes made as a result of codification of the FTR (Attachment 2).

The Department has an ongoing cash management and debt collection program that has yielded substantial positive results over the years. Controlling travel advances is an integral part of this effort. Your continued cooperation and support of the Department's initiative to minimize outstanding travel advances is appreciated. Strict adherence to the attached travel advance policy and procedures will provide the desired result of minimizing travel advances. Should you have questions or require additional information regarding these matters, please contact Bill Kendig, Director of Financial Management on 208-4701.

Philip Kiko

Attachments



Authority: 5 U.S.C. 2702-3709: E.O. 11609/ July 22, 1971 (36 FR 19747).

4. Section 321-3.4 is amended by revising paragraphs (b)(1)(ii) and (c) to read as follows:

1 301-34 Special fares.

(ii) For the use of contract air carriers for official travel between certain cities/airports, sit agricums, steapt DOG, shell follow the senants, procedures, and requirements provided in part 301–15. subpart 8. DOD multifollow procedures established in the Military Traffic Management Regulation, AR \$5-255/NAVSUPINST 4608.70/ARR 75-2/MCO P4660.14B/DEAR 4560.2.

(c) Unequal fares available. Except as provided in part 301-15, subpart 8, when common currents furnish the same metrod of terval at different fares between the same points for the many type of accommodations, the lowest test service shall be used unless use of a higher cost service is administratively determined to be more advantageous to the Government. (See § 201-2-2(c).)

PART 301-10-SOURCES OF FURDS

S. The numberity citation for part 301-10 continues to send as follows:

Authority: \$ U.S.C. 5701-5708; E.O. 11608. aly 22, 1871 (86 FR 13747).

6. Section 301-10.1, including the section heading, is revised to read as follows:

§ 301-10.1 General policy.

(a) Minimizing oash requirements. As a general policy, employees traveling on official business are responsible for meeting their current travel expenses. However. Pederal employees should not have to pay official travel expenses entirely from personal funds unless the employee has elected not to use alternative resources made available by the Covernment La_ contractor-issued charge cases or travelers checks. To alleviate the need for employees to use personal funds, agent on may more Mans for curtain expenses as authorized by § 301-18.3. Agencies and travelers shall take all recommise sta to eninumee the cash burden on both the agency and the traveler. These supe shall include, but not be limited to, using Government contractor-maned charge cards. Where the use of Government contractor-insued charge cards is impractical for procuring common carrier transportation, agencies shall purchase required transportation tickets ir employees using Government

Transportation Requests (GTR's) as provided in § 301–10.2, or centrally billed accounts as provided in § 301–15.45.

(b) Managing financial resources. To manage Federal financial resources more effectively for travel expense purposes, agencies shall:

 Hold to a minimum the amounts of cash advanced for travel purposes as provided in § 301–10.3;

(2) Follow-up with travelers to assure that vouchers are submitted within established timeframes as provided in § 301-11.4(a); and

(3) Process travel vouchers promptly to recover any excess travel advances or to provide reyment to employees as provided in § 301–10.3(a). Agencies must establish internal policies and procedures to ename that travel vouchers are paid within 25 working days after the end of each trip or travel period for which a voucher is fifted.

(c) Government contractor-issued charge cards. Agencies shall offer Government contractor-issued charge cards to all supployees who are expected to travel at least twice a year (frequent travelers), consistent with each agency's internal travel regulations. Upon request agencies shall issue the card to any employee authorized to perform official travel. Part 301-15. subpart C contains rules and procedures governing the issuance of Government charge cards. Travelers issued charge cards are encouraged to use them to pay for official travel expenses to the maximum extent possible.

7. Section 301-10.2 is emended by revising peragraph (bi(2)(ii) to read as follows:

§ 301-10.2 Programment of common cernier transportation.

(p) · · ·

(2) . . .

(ii) Use of individual Government contractor-insued charge card for procurement of transportation exceeding \$100. Cash payment of passenger transportation services in excess of \$100 is authorized when a participating agency or its employees use a charge card issued by a contractor under contract with the General Services Administration for official travel. Use of charge or credit cards held by the employee for personal use and issued by any other credit company is not authorized under this exception. (See part 301-15, subpart C governing the Government's charge card program.)

8. Section 301-10.3 is revised to read as follows:

§ 301-10.3 Advance of funds.

(a) Authority. The head of each agency or his her designated representative may provide, through proper disburang officers, to persons entitled to per chem (for submatence expenses) or mileage allowances, an advance of travel funds in an amount deemed advisable within the criteria stated in paragraphs (b) and (c) of this section, considering the character and probable duration of the travel to be performed. Agencies shall issue advances in the form of travelers checks when that method is determined to be in the best interest of the Government.

(b) Limitation. Except as provided in paragraph [c] of this section, agencies shall limit the advance of travel funds to those estimated expenses that a traveler is expected to their in connection with authorized travel (including travel incident to a permanent change of station) which normally would be paid using cash ("cash transaction expenses" as defined in paragraph (b)(1) of this section). This limitation applies to advances issued for travel under sing trip as well as open travel authorizations. However, for travel covered by an open travel enflurisation. advances shall be limited to the estimated cash transaction expenses for no more than a 45-day period.

(1) Cash transaction expenses. Cash transaction expenses are those travel expenses that as a general rule cannot be charged and must, therefore, be paid using cash, personal chacks, or thevelors checks. It is assumed that travelers normally will be able to use a Government contractor-issued charge card to charge major expenses such as common carrier transportetion fares, lodging costs, and rental of automobiles and sirpianes. Therefore, expenses which will be considered cash transaction expenses are:

(i) Meals and incidental expenses (M&IE) covered by the per diem rate or actual subsistence expense allowance:

(ii) Miscallaneous transportation expanses such as local transit system fares: taxi fares: parking face: farry fees: bridge, road, and tunnel fees: and sirplane parking, landing, and tiedown fees:

(iii) Gasoline and other variable expenses covered by the mileage allowance for advantageous use of a privately owned vehicle for official business; and

(iv) Other authorized miscellaneous expenses which cannot be charged using a charge card and for which a cost reasonably can be estimated prior to travel.



(2) Allowable amount for meals and incidental expenses (M&IE). For travel within the continental United States (CONUS), the amount advanced for meals and incidenta Carpenses shall not exceed the prescribes MAIE rate or other amount authorized by the agency under parts 301-7 or 301-8. as appropriate. For travel outside CONUS. the emount advanced for M&IE shall not exceed 50 percent of the per diem rate or actual expense rate authorized under parts 301-7 or 301-8, respectively.

(c) Exceptions to travel advance limitation—(1) Authorized exceptions. The limitation provided in paragraph (b) of this section does not apply to the following change of official station expenses: temporary quarters subsistence, transportation and temporary storage of household goods or employee's automobile, or transportation of mobile homes.

(2) Agency discretion. Agencies may. under the limited circumstances described in paragraphs (c)(2) (i) through (iii) of this section, increase the amount of the travel advance provided to the traveler.

(i) Use of charge card precluded. Travel circumstances are expected to preciude the use of a Government contractor-issued charge card to purchase transportation, lodging, car rental, or other travel expenses that normally would be chargeable.

(ii) Charge card issuance denied. The agency determines that in certain situations an employee or group of employees should not be issued a Covernment contractor-issued charge card. The basis for this determination must be documented in the agency's internal travel regulations and might include infrequent travelers or travel circumstances where use of a charge card is nearly always impractical.

(iii) Official change of station. The agency determines that the use of Government contractor-issued charge cards is not feasible for en route travel and househunting trip cash transaction expenses in connection with employees transferring between official stations. particularly those transferring between agencies.

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(3) Amount allowed. Travel advances under this exception shall not exceed 80 percent of the esumated additional cash expenses permitted under either paragraph (c) (1) or (2) of this section and authorized on the travel authorization unless a determination is made that the 60 percent limitation will result in a financial hardship on the employee. In cases of financial hardship. the agency may advance up to 100 percent of these estimated expenses for an individual trip, or for an open travel

authorization not to exceed a 45-day period.

(4) Exception precluded. This exception authority may not be exercised in situations where the employee has elected not to use alternative funding resources made available by the Government: i.e., Covernment contractor-usued charge cards or travelers checks. This exception authority may not be exercised for travelers whose Government charge cards have been suspended or revoked because of delinquent payments.

(d) Funds chargeable. Advances to travelers shall be chargeable to the appropriation or other funds available for the _ayment of the traveler's

expenses.

(e) Control and recovery of advances. Agencies shall establish internal financial controls for assuming that travelers with outstanding travel advances are notified of any delinquencies in filing vouchers and repaying outstanding advance balances. and that travelers are promptly paid amounts owed to them by the agency. These controls should include procedures for reviewing outstanding travel advances and unpaid travel vouchers prior to an employee's separation, and for settling all outstanding amounts.

(1) Deduction from vouchers. It shall be the responsibility of the head of each agency or his/her designee to ensure that the amount previously advanced is deducted from the total expenses allowed or that it is otherwise recovered. In instances where the traveler is in a continuous travel status. or where periodic reimbursement vouchers are submitted on an individual trip authorization, the full amount of travel expenses allowed may be reimbursed to that traveler without any deduction of his/her advance until such time as the final voucher is submitted. If the amount advanced is less than the amount of the voucher on which the advance is deducted, the traveler shall be paid the net amount. In the event the advance exceeds the reimbursable amount, the traveler shall immediately refund the excess.

(2) Direct refunds. In the event of cancellation or indefinite postponement of authorized travel, the traveler shall promptly notify appropriate agency officials of such event and refund any monies advanced to him/her in connection with the authorized travel. In the event the traveler does not promptly refund the money, the head of the agency or his/her designee shall take immediate steps to secure the refund of any advance that may have been made.

(3) Other means of recovery. Outstanding advances which have no been recovered by deduction from reimbursement vouchers or voluntary refunds by the traveler shall be promptly recovered by a setoff of sale due or retirement credit or otherwise from the person to whom it was advanced, or his/her estate, by deduction from any amount due from the United States, or by any other lega method of recovery that may be necessary. Salary or other amounts du shall be considered before the retirement credit. In view of these protections, which are specifically included in the law, travelers shall not be required to furnish bonds in order to obtain travel advances. (See 31 U.S.C. 9302.1

(f) Accounting for advances. Accounting for cash advances for trave purposes, recovery, and reimbursemen: shall be in accordance with procedures prescribed by the General Accounting Office (see General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 7. Fiscal Procedures).

9. Chapter 301 is amended by adding part 301-15 to read as follows:

PART 001-15-TRAVEL MANAGEMENT PROGRAMS

Subpart A—Vice of Travel Agents a Travel Management Centers (TMC) Federal Executive Agencies ment Centers (TMC/8) by

301-15.1 Scope of subpart. 301-15.2 Applicability.

Authority to use trayel agents. 301-15.3

Establishment of TMCS.
TMC responsibilities. 301-15.4

301-15.5

CSA responsibilities 301-15.6

301-18.7 Agency responsibilities. 301-15.8 Employee responsibilities.

Subport 8-Use of Contract Mirline/Rell Inger Service Between Citios/Airports

301-15.20 Scope of subpart.

301-15.21 Applicability.

301-15.22 Alternate use of noncontract rail or bus service

asibility of sward 301-15.23 Resp Progedures for obtaining service. 301-15.24

Use of travel management centers 301-15.25

(TMCs). Progressive airline awards for the 301-15-28

same city/airport pair. #se of noncontract carriers fo 301-15-27

listed sity/airport pairs. 301-15.28 Traveler liability.

C-Travel and Transportation Issued Charge Cards, Centrally Silled Accounts, and Transport Expense Payment System: Contractor-

301-15.40 Scope of subpart. 301-25.41 Applicability.

POLICY AND PROCEDURES FOR ISSUING AND CONTROLLING TRAVEL ADVANCES

Policy.

It is the policy of the Department of the Interior to comply with the Federal Travel Regulations (FTR) regarding the issuance and recovery of travel advances as stated in 41 CFR §301-10 Sources of Funds. The amount of cash advanced for official travel purposes will be held to the minimum amount necessary for the accomplishment of the travel without imposing financial burdens on travelers. Amounts advanced will be recovered in an expeditious and efficient manner to preclude the advances from becoming delinquent. The government contractor-issued charge card offers significant opportunities to reduce the amount of travel-related expenses which must be financed by the Department in the form of travel advances. Therefore, maximum use will be made of the Government Travel Management System Program (i.e., individual government contractor-issued charge cards and Government Travel System (GTS) accounts for transportation). As a minimum, the following standards will be required of the travel advance management program within each bureau.

- 1. The government contractor-issued charge card will be offered to each employee expected to travel at least twice a year (frequent traveler) [41 CFR §301-10.1(c)]. Any application received from an employee who may be authorized to travel but does not meet the requirement of a frequent traveler will be processed.
- 2. The preferred method for issuing a travel advance is by U.S. Treasury check provided there is sufficient time to process payment before the travel. When possible, travel authorizations should be issued two or more weeks prior to the planned travel dates to allow sufficient time for processing a Treasury check. If the timing is insufficient to process a Treasury check, then an imprest fund may be used, if available, for the advance.
- 3. The total amount of travel advance issued will not exceed the outof-pocket expenses expected to be incurred by the employee (i.e., the meal
 and incidental expense allowance for CONUS travel or 50 percent of the per
 diem rate for travel outside CONUS plus tolls, parking, taxi, and other
 expenses not customarily charged) [41 CFR §301-10.3(b)(1) and (2)].
 Frequent travelers who elect not to request a contractor-issued charge
 card will assume the financial burden of paying for lodging, car rental
 and other expenses that would customarily be charged on the charge card.
 Employees who are offered the charge card and decline participation in the
 program or who have lost charge card privileges because of nonpayment of
 previous charges will not be issued an advance larger than those with
 charge cards [41 CFR §301-10.3(c)(4)]. Travel advances under \$50 will be
 issued only in extreme hardship cases.



- 4. The employees who are not expected to travel at least twice a year will not be offered the government contractor-issued charge card and may be advanced the full amount authorized by the FTR (41 CFR \$301-7 and 8), unless a non-frequent traveler has requested and been issued a charge card which is permissable. All employees traveling to areas where charge cards are not acceptable as an alternative method of payment may be advanced the full amount authorized by the FTR [41 CFR \$301 10.3(c)(2) (i)]. Travel advances will not include amounts for transportation, except where group travel is being procured through a travel agency and cash is the only acceptable form of payment.
- 5. The travel advance will be issued as close as possible to the date when the employee will need the funds to perform the authorized travel. Advances for travel covered by open or limited open travel authorizations will be restricted to the amount of out-of-pocket expenses expected to be incurred for a 45-day period [41 CFR §301-10.3(b)]. Advances for permanent change of station travel will be restricted to an amount necessary to cover the expected out-of-pocket expenses to be incurred for no more than a 30-day period.
- 6. The traveler is required to file a travel reimbursement claim within 5 working days after completion of the authorized travel or segment of permanent change of station travel, or each 30-day period if the travel period exceeds 30 days.
- 7. The traveler will be reimbursed for all authorized expenses within 25 working days after the traveler files his/her claim for reimbursement [41 CFR §301-10.1(b)(3)].
- 8. The traveler is required to repay any unused travel advance balance at the time the travel reimbursement claim is filed. When a reimbursement voucher is not received within 30 days from the end of the authorized travel period or is insufficient to settle the outstanding balance, the traveler will be requested to settle the advance immediately and advised that a payroll deduction (offset) will be initiated for the outstanding balance [41 CFR §301-10.3(e)(3)] (see also 5 USC 5705) unless settlement is received within 15 days.

Procedures.

Travel advance records will be reviewed on a continuous basis to ensure delinquencies are kept to a minimum and collection action is taken before an advance has been outstanding more than 60 days after the travel has been completed. The following controls and processing actions are required to meet the minimum acceptable level of effective cash management:



- 1. The employee's travel advance record will be reviewed to ensure all outstanding advances have either been settled or covered by a travel reimbursement voucher before issuing a travel advance for the same type travel (i.e., temporary duty or permanent change of station).
- 2. Travel advances will be limited to one temporary duty travel advance and one permanent change of station advance outstanding at one time. An exception may be made when an employee has a continuing advance authorized by an open or limited open travel authorization and is subsequently required to attend a conference or training under a separate travel authorization. Travel advances will be considered settled when the employee files a travel voucher for authorized expenses equal to the amount of the outstanding advance, or a voucher covering a part of the advance with payment of the balance not covered by the claim. Travel advance requests from employees who have an outstanding travel advance balance should be supported by a copy of the unpaid reimbursement claim.
- 3. Travel advance balances will be validated at least once each calendar year by either requiring repayment and reissue of the advance or a signed certification from the employee stating the outstanding balance is correct.
- 4. Continuing travel advances will be reviewed at least quarterly to ensure that travel performed justifies the amount of the advance. If the advance exceeds the out-of-pocket expenses for a 45-day period, the advance will be reduced by either a deduction from a travel voucher or repayment from the employee.
- 5. Travel reimbursement claims (travel vouchers) will be paid within 25 working days after submission. The administrative review process will be kept to the minimum necessary to ensure the expenses claimed were authorized and necessary. After the voucher has been administratively approved for payment, no further reviews should be made until it is reviewed for payment certification. The administrative review process should be completed within 2 working days after submission by the employee, except in cases where vouchers must be mailed to the approving official or special approvals are required for certain reimbursements claimed. In these cases, the approvals should be expedited to ensure payment is accomplished within 25 working days.
- 6. The clearance process for separating or transferring employees will include verification that there are no outstanding travel advances [41 CFR §301-10.3(e)]. If there is an outstanding advance that is not settled upon separation-clearance or death, a deduction/offset will be made from any amounts due the employee or his/her estate. When the final payroll payment is insufficient to cover the outstanding balance, the Office of Personnel Management (OPM) will be requested to offset the retirement credit for the amount owed from the person to whom funds were advanced, by deduction from any amount due from the United States, or by



any other legal method of recovery that may be necessary. Salary or other amounts due shall be considered before the retirement credit [41 CFR \S 301-10.3(e)(3)] (see also 5 USC 5705).





OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

JUL 3 0 1991

FINANCIAL ADMINISTRATION MEMORANDUM NO. 91 - 055 (II.G.1.)

To: Bureau Assistant Directors, Administration

Director, Office of Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

From: Chief, Division of Financial Administration

Office of Financial Management

Subject: Collection of Outstanding Travel Advances

Attached is a copy of a memorandum issued by the Acting Assistant Secretary - Policy, Management and Budget dated July 9, 1991. This memorandum emphasizes the requirement for timely settlement of travel advances, including the requirement to initiate payroll deduction for the full amount of any delinquent advance (any advance outstanding more than 60 days after the completion of scheduled travel). Repayment of a delinquent travel advance on an installment basis (i.e., a percentage of salary or multiple deductions) is not authorized.

Departmental policy requires employees who have been authorized to travel on official business to file a travel reimbursement claim (travel voucher) within 5 work days following the completion of a segment of authorized travel, or no less frequently than every 30 days for extended periods of travel. Employees should have the advance deducted from the reimbursement claim unless the advance involves an open travel authorization. When the reimbursement due on a travel voucher is insufficient to settle the outstanding advance, the employee should submit a check or money order for the difference along with the travel voucher. In any event, if the outstanding travel advance is not settled entirely within 30 days after the scheduled completion of the authorized travel or segment of relocation travel, the employee should be notified that the full amount of the outstanding advance will be collected by payroll deduction from his/her salary. If the notice does not result in settlement of the advance (by submission of a travel voucher or repayment) within 60 days of the scheduled completion date of the authorized travel, immediate action will be taken to deduct the full amount from the next salary payment. Before the payroll deduction actually takes effect, a final review should be made that verify that a travel voucher was not filed, or that full payment was not remitted.



Bureaus experiencing system related processing delays may request a temporary exemption from the requirement to initiate payroll deductions for delinquent advances. The exemption request must be submitted in writing and approved by the office of Financial Management.

Once a payroll deduction has been made to settle a delinquent travel advance, offices may not approve granting an employee a travel advance to refund the amount deducted from the salary payment. If a travel reimbursement claim had not been filed for the authorized travel, the office may expedite payment of the employee's travel claim to relieve any hardship encountered.

The updated policy on recovering delinquent travel advances should be implemented immediately by each bureau. As a minimum, the bureau implementation should include a written notice to each employee advising them of the Department's policy on collection of delinquent travel advances. Also, those employees who have an outstanding travel advance for official travel that was scheduled for completion more than 45 days prior to this updated policy should be advised that the advance will be collected by payroll deduction if not settled in full within 30 days.

Delinquent travel advances currently being collected on an installment basis, by either direct payment or payroll deduction, under an agreement with the employee, may continue to be collected in accordance with the agreement. Bureaus will not enter into new agreements that authorize repayment on an installment basis.

Delinquent travel advances may meet the Internal Revenue Service definition of supplemental income and become subject to income tax withholding. Thus, failure to fully comply with the policies on collection of outstanding travel advances may require a considerable increase in the amount of reporting required by the bureaus as well as the increased cost associated with the employer's share of FICA.

Please direct any questions you may have on this subject to Mr. Lesley Oden or me on 208-5223 or FTS 268-5223.

stephen v. Varholy

Attachment

Prior Financial Administration Memorandum on this Subject:

No. 91-046 (II.G.1.), June 28, 1991 - Active





United States Department of the Interior

OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

.111 9 1004

Memorandum

To:

Solicitor

Assistant Secretaries

Inspector General

Bureau Heads_

Office Directors

From:

- Policy, Management and

Subject: Repayment /of/ Travel Advances

The current Departmental policy on the repayment of travel advances was issued in July 1982. Because of recent regulationsand revised Internal Revenue Service rules concerning outstanding. travel advances, it is necessary to update the current policy.

All trip travel advances are to be repaid as one lump sum, at the time a travel voucher is filed. In instances where the travel advance exceeds the travel reimbursement, the employee must repay the balance, along with the completed travel voucher. There is no provision in the Federal travel regulations that allows for repayment of an outstanding travel advance by installments. is Department policy to collect all outstanding advances, not covered by a reimbursement voucher or an employee refund, by salary offset of the entire travel advance due. The policy covers any travel advance outstanding for more than sixty (60) days from the completion date of the travel. PFM will provide more detailed information on this subject in a Financial Administration Memorandum.

I am asking you to notify all of your employees who travel concerning these policies. For those employees whose advances are delinquent, that is, over 60 days old, I request that your staff initiate necessary action to institute salary offset. you have any questions regarding this policy, please call Bill Kendig or Ted Woronka on (202) 208-4701.



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United States Department of the Interior



OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

APR - 5 1991

FINANCIAL ADMINISTRATION MEMORANDUM NO. 91-15 (II.G.1)

To:

Bureau Assistant Directors, Administration

Director, Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

From:

Chief, Division of Financial Administration

Office of Financial Management

Subject: Diners Club Account Delinquencies

The purpose of this FAM is to distribute the attached letter recently received from the General Services Administration regarding delinquent centrally billed (GTS) and individual cardholder accounts. Also, attached are the appropriate pages for your bureau extracted from the February 28, 1991 Delinquency Performance Report from Diners Club. A complete copy of this FAM was sent to your Bureau Diners Club Coordinator. In the case of GTS accounts, please take the appropriate action to clear the past due amounts. In the case of individual cardholder delinquencies, assist Diners Club, if requested, to resolve the delinquent accounts.

Bureaus can provide immediate assistance by reminding employees:
1) Departmental policy requires submission of travel vouchers
within five days from completion of the trip, 2) their Diners
account is a personal liability and responsibility, and 3)
Federal standards-of-conduct require Federal employees to pay
their financial obligations in a proper and timely manner.
Moreover, the Bureau can assist employees by consistently processing travel reimbursements to employees within 25 days as
required by Departmental policy.

Should you have questions or require additional information regarding this subject, please contact Bill Webber on 208-5223 or FTS 268-5223.

Philip J. Daniels

Attachments

**Note: Pages of the Delinquency Performance Report was to sent Bureau Finance Officers.

cc: Bureau Diners Club Coordinators





Federal Supply Service Washington, DC 20406



5 MAR 1991

TO: DINERS CLUB AGENCY COORDINATORS

SUBJECT: Diners Club's Concern About Delinquent Payments

The President of Diners Club met with the Administrator of General Services on February 14, 1991, to discuss statistics showing increases in delinquent payments for both individual and Government Travel System (GTS) accounts. As a result of this meeting, on February 22, 1991, the Administrator of General Services wrote a letter to each participating agency's Assistant Secretary of Administration (or counterpart), requesting assistance in reversing the emerging trends. For your information, we are enclosing a copy of this letter.

If you or other officials of your agency have any specific questions regarding delinquent accounts, please contact Mr. Bill Prevallet of Diners Club on 703-815-3005.

Sincerely,

Donna D. Bennett

Director

Travel Management Division

Enclosure



Dear

The General Services Administration (GSA) contracted in 1983 and again in 1988 with Citibank for the provision of Diners Club charge cards to Federal travelers and centrally billed Government Travel System (GTS) accounts, the latter being primarily used for the purchase of transportation services for groups or infrequent travelers. It recently has been brought to my attention that Diners Club statistics show an increase in delinquent payments, for both individual and GTS accounts. Further, write-offs which occur when an account is over 360 days past due are also on the rise.

I am writing to request your assistance in reversing these trends which I discussed with the President of Diners Club on February 14, 1991. Failure to control these delinquencies will inhibit GSA's future ability to negotiate favorable terms for the Governmentwide travel and transportation expense control system.

It is important that all participants in the Diners Club program be reminded of the terms and conditions of the contract and their obligations to pay accordingly. Individual cardmembers are billed monthly with payment due within 25 days of the billing date on the statement. This is true regardless of whether the employee has filed a travel voucher or has been reimbursed by the agency. These terms are specified in the agreement provided to every cardmember. The contract also requires that payment on agency GTS accounts be made within 30 days in accordance with the Prompt Payment Act.

Citibank is in the process of initiating aggressive collection actions. With regard to individual accounts, once agency coordinators are advised of delinquent accounts through the Diners Club delinquency reports, Citibank plans to suspend charge privileges for accounts over 60 days delinquent unless the agency's coordinator instructs Citibank not to suspend. I urge you to support Citibank's collection efforts by taking



appropriate corrective action with the cardmembers involved. As a reminder, the Federal standards-of-conduct regulations require that Federal employees pay their financial obligations in a proper and timely manner.

With regard to centrally billed CTS accounts, Citibank has informed us that they will vigorously pursue the interest penalties owed by the agencies under the Prompt Payment Act. Since centrally billed accounts represent about 40 percent of Diners Club's total billings, increasing delays in payments on these accounts have a significant impact.

I am asking all agencies to evaluate the payment practices affecting both the individual cardholder and centrally billed agency accounts. It is important that we work together to preserve the benefits of this program. Citibank is anxious to work with you, as is my staff. Donna Bennett, Director, Travel Management Division, or members of her staff are available to provide assistance on (703) 557-1261.

Sincerely, .

(good) Richard G. Augist

Richard G. Austin Administrator





United States Department of the Interior



OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

MAY 1 7 1991

FINANCIAL ADMINISTRATION MEMORANDUM NO. 91-038 (II.G.1)

To:

Bureau Assistant Directors, Administration

Director, Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

From:

Chief, Division of Financial Administration

Office of Financial Management

Subject: Diners Club Charge Card Program

The purpose of this FAM is to distribute the attached letter from the General Services Administration (GSA) regarding certain terms and conditions of the current governmentwide contract with Citicorp/Diners Club. GSA's letter cites the contract terms for suspending and canceling government-issued individual charge cards and disclosure of credit history information on an individual's account. Also, GSA states the informational items employees should record to document alleged cases of harassment by Diners Club collection personnel. A copy of this FAM is being distributed to Bureau-level Diners Club coordinators, as well.

Should you have questions or require additional information regarding this subject, please contact Bill Webber on 208-5684 or FTS 268-5684.

Philip J. Daniels

Attachment

Prior Financial Administration Memorandum on this subject:

No. 90-094, dated November 29, 1990 - Active No. 90-076, dated September 6, 1990 - Active

cc: Bureau Diners Club Coordinators





General Services Administration Federal Supply Service Washington, DC 20406



2 3 APR 1991

Mr. William L. Kendig Director, Financial Management U. S. Department of Interior Washington, DC 20240

Dear Mr. Kendig:

This letter is in response to your letters dated January 31, 1991 and April 10, 1991, regarding the Diners Club Government charge card and the Government Travel System (GTS) accounts.

As discussed in a telephone conversation the week of February 11, 1991, between Mr. Webber, of your staff, and Ms. Jernigan, of my staff, in accordance with General Services Administration's Contract Number GS-00F-95032 with Citibank (South Dakota), N.A. (i.e.; Diners Club) the contractor "cannot reveal or disclose any credit history information which it generates to any third party, including credit reporting or collection agencies or bureaus, without the express written consent of the individual card holder."

In addition, the contract states the following regarding suspension and cancellation of an employee's Government charge card.

"Before we (Diners Club) suspend or cancel any Employee Card for nonpayment, we will notify the designated agency coordinator of our proposed action, and we will ask for the coordinator's concurrence. Our criterion for suspension is to suspend an Employee Card when our statement has not been paid in full 60 days after the date we issued the statement. Our criterion for cancellation is to cancel the Card when our statement has not been paid in full 120 days after the date we issued the statement."

In February, we met with Mr. Hal Evans, Senior Vice President of Diners Club to discuss the collection calls that Government employees were receiving from Diners Club regarding late or nonpayment of accounts. Mr. Evans went to Denver to monitor the past due collection calls and he assured us that harassment techniques will not be tolerated.

This office should be informed in writing of any calls from Diners Club personnel that threaten Government employees' personal credit ratings due to nonpayment of the Government



Diners Club account. We need the following information to substantiate the complaint: 1. Name of Diners Club employee; 2. Date and time of call; 3. Government employee's name and Diners Club account number; and 4. The specific statement or threat that the Diners Club employee used.

If you need additional information, please call Ms. Louise Jernigan or myself on (703) 557-1261.

Sincerely,

Donna D. Bennett

Director

Travel Management Division

Arma Genoutt



United States Department of the Interior



OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

JL 17 1992

FINANCIAL ADMINISTRATION MEMORANDUM NO. 92-044 (II.G.1)

To: Bureau Assistant Directors, Administration

Director, Administrative Services

Bureau Finance Officers

Chief, Division of Fiscal Services

From: Chief, Division of Financial Administration

Office of Financial Management

Subject: Diners Club Account Delinquencies

The purpose of this Financial Administration Memorandum (FAM) is to issue the attached guidelines and procedures for monitoring employee's Diners Club account balances in order to reduce and minimize the amount of delinquencies owed the government's contractor. The attached control procedures are effective with the distribution of this FAM and should be fully implemented within 60 days from the date of this memorandum.

On June 3, 1992, the Assistant Secretary - Policy, Management and Budget issued a memorandum (copy attached) to the heads of bureaus with employees that did not pay Diners Club based on an October 22, 1991, letter from the Director of Financial Management requesting delinquency resolution. The Assistant Secretary's memorandum identified the steps the Department was taking to limit account delinquencies. The next step of this effort is to establish routine delinquency follow up procedures based on the attached guidelines which call for the proposal of disciplinary action for failure of an employee to resolve the delinquency based on a supervisory order.

It is reminded that current Departmental travel advance policy requires that travel advances be limited to that of an employee with the charge card for those employees who lost their charge card privileges. Should you have questions or require additional information regarding this subject, please contact Bill Webber on (202) 208-5684.

Stephen J. Varholy

Attachments

cc: Bureau Diners Club Coordinators

Prior Financial Administration Memorandums on this subject:

No. 90-076, dated September 1, 1990 - Active No. 90-094, dated November 29, 1990 - Active



- 1. Diners Club will perform its normal follow-up through 120 days past due and beyond which includes issuing statements of account every 30 days up to 360 days past due. Diners Club suspends (disallows) new charges when an account becomes 60 days past due and cancels the account after 120 days past due. Further, Diners Club will continue to use collection agencies to assist in its collection efforts. Diners Club is not permitted to harass employees in its collection efforts; such as, calling the employee at home on Sunday or late at night, claiming that the delinquency can adversely affect the employee's credit rating, or calling more than once a day. Any such cases should be documented by the employee by obtaining the name and telephone number of the Diners Club representative and reporting this to the Bureau Diners Club Coordinator. However, if the charges are legitimate, the employee is still obligated to pay Diners Club.
- 2. Bureau Coordinators will review the monthly delinquency reports provided by Diners Club and notify the affected employee's supervisor when an account is 120 days past due.
- 3. In some cases it will be obvious that a charge was personal, since the employee may not have been in a travel status or the purchase made was clearly not required for official travel. In such cases, personal use of the charge card should be documented and brought to the employee's attention. This violates the agreements between the Government, the employee, and Diners Club.
- 4. Upon notification that an account is 120 days past due, the immediate supervisor shall discuss the matter with the employee (IMPORTANT: FOLLOW DIRECTIONS IN NOTE 1 BELOW BEFORE PROCEEDING) and pursue the issuance of the "first notice" described below clearly ordering the employee to "resolve" the account delinquency within 30 days from the date of the notice or face a proposed suspension without pay for insubordination. The supervisor must follow-up with Diners Club at the end of 30 days to determine if the delinquency was resolved. Ms. Dawn Seeley of the Diners Club organization will serve as the contact point. Ms. Seeley can be reached on (703) 815-3051. The delinquency can be considered resolved by either: (A) an agreed upon repayment schedule with Diners Club, (B) payment-in-full, or (C) a reasonably sound dispute documented by the employee and submitted to Diners Club.

Sample copies of the "First", "Second", and "Third" notices are attached and summarized below.

First Notice (Attachment 1): (1) orders the employee to resolve the delinque t balance within 30 days; (2) informs the employee



that if the delinquent balance is not resolved, the employee will be insubordinate and suspension without pay for three days will be proposed by the immediate supervisor; and (3) notifies the employee that failure to resolve the delinquent balance could eventually result in dismissal.

Second Notice (Attachment 2): (1) informs the employee that according to Diners Club's records the delinquent balance was not resolved within the time specified in the first notice; (2) again orders the employee to resolve the delinquent balance within 30 days; (3) informs the employee that failure to comply will result in another instance of insubordination and that an additional 15 days suspension without pay vill be proposed; and (4) reminds the employee that failure to resolve the delinquent balance could eventually result in dismissal.

Third Notice (Attachment 3): (1) informs the employee that according to Diners Club's records the delinquent balance was not resolved within the time specified in the second notice; (2) again orders the employee to resolve the delinquent balance in 30 days; and (3) notifies the employee that failure to comply will result in another instance of insubordination and that dismissal from Federal employment will be proposed.

IMPORTANT NOTES:

- 1. Before discussing the matter, issuing written notices or proposing suspension or dismissal actions, the immediate supervisor <u>must</u> contact his/her servicing personnel office and consult with the Office of the Solicitor to ensure that all the necessary requirements and documents are properly completed. The attached notices are samples. Per the advice of the servicing personnel office or the Solicitor the notices should be adjusted, if necessary, based on the individual case. However, should the advice of the Personnel Office or the Solicitor deviate substantively from the above guidance, then the Office of Financial Management must also be contacted for its concurrence. Other violations and penalties are possible, some of which could be the result of activities listed in notes 2 and 3 below.
- 2. In addition to the insubordination charges provided for in these guidelines, improper use of the card or non-payment of the obligation due Diners Club by the employee may constitute grounds for additional charges. These include violating Departmental policy on the issuance and use of the Diners Club card and/or using public office for private gain.
- 3. If there is evidence that the employee willfully misrepresented facts; such as, filing falsified travel expense vouchers or applications to Diners Club, then there could be a basis for criminal charges. In such cases, the Office of the Inspector General Investigations should be consulted (in addition to the Offices of Personnel and Solicitor).



SAMPLE FIRST NOTICE

Memorandum

(employee with a delinquent Diners Club account) To:

From: (immediate supervisor)

Subject: Delinquent Diners Club Account - Order to Resolve Debt

and First Notice of Possible Personnel Action

I have been informed that you have a delinquent account balance in excess of 120 days past due in the amount of \$____ owed Diners Club. Based on Departmental policy, I am required to order you to resolve the account balance within 30 days from the date of this memorandum. If you fail to do so, you will be insubordinate and your suspension without pay for three days will be proposed. Continued failure by you to resolve the delinquency within 60 days from the date of this memorandum could lead to 15 days suspension and ultimately to dismissal from Federal service for repeated insubordination.

The delinquent balance may be resolved by: (1) payment-in-full; (2) a reasonably sound dispute documented and submitted to Diners Club; or (3) an agreed upon repayment schedule made with Diners Club. Send your payment or correspondence to:

> Citicorp Diners Club, Inc. P O Box 220868 Chantilly, VA 22022-0868

I will contact Diners Club on (date) to determine if the delinquency was satisfactorily resolved.

This is a very serious matter, I urge you to immediately take the steps necessary to resolve the account delinquency within the time specified. If the delinquencies are the result of personal use of the Diners Club card or false claims made by you, additional penalties and charges may also be presented.

Please keep copies of any correspondence and/or evidence of payment to Diners Club. Should you have questions or would like to discuss this matter please see me.



SAMPLE SECOND NOTICE

Memorandum

To: (employee with a delinquent Diners Club account)

From: (immediate supervisor)

Subject: Delinquent Diners Club Account - Order to Resolve Debt

and Second Notice of Possible Personnel Action

I have been informed that you have a delinquent account balance in excess of 120 days past due. My memorandum of (date) requested that you resolve the delinquency within 30 days from the date of the memorandum or your suspension without pay would be proposed for three days.

I have been informed by Diners Club that you failed to resolve the delinquent balance within the time specified. Again, I order you to resolve the account balance within 30 days from the date of this memorandum. If you fail to do so, you will again be insubordinate and your suspension without pay for 15 days will be proposed. Continued failure to resolve the delinquency within 60 days from the date of this memorandum could result in your dismissal from Federal service for repeated insubordination.

As previously stated, the delinquent balance may be resolved by:
(1) payment-in-full; (2) a reasonably sound dispute documented
and submitted to Diners Club; or (3) an agreed upon repayment
schedule made with Diners Club. Send your payment or
correspondence to:

Citicorp Diners Club, Inc. P O Box 220868
Chantilly, VA 22022-0868

I will contact Diners Club on (date) to determine if the delinquency was satisfactorily resolved.

This is a very serious matter, I again urge you to immediately take the steps necessary to resolve the account delinquency within the time specified. If the delinquencies are the result of personal use of the Diners Club card or false claims made by you, additional penalties and charges may also be presented.

Please keep copies of any correspondence and/or evidence of payment to Diners Club. Please feel free to ask me any questions that you may have regarding this matter.



SAMPLE THIRD NOTICE

Memorandum

To: (employee with a delinquent Diners Club account)

From: (immediate supervisor)

Subject: Delinquent Diners Club Account - Order to Resolve Debt

and Third Notice of Possible Personnel Action

On (date) and again on (date), I requested that you take immediate steps to resolve the delinquent balance of \$_____ owed to Diners Club. I have been informed by Diners Club that you have failed to resolve the delinquent balance within the time specified. You are hereby ordered to resolve the account balance within 30 days from the date of this memorandum. This is the third order you have been given to resolve the account balance with Diners Club. If you fail to do so, you will again be insubordinate and your dismissal from Federal service will be proposed for repeat insubordination.

As previously stated, the delinquent balance may be resolved by: (1) payment-in-full; (2) a reasonably sound dispute documented and submitted to Diners Club; or (3) an agreed upon repayment schedule made with Diners Club. Send your payment or correspondence to:

Citicorp Diners Club, Inc. P O Box 220868 Chantilly, VA 22022-0868

I will contact Diners Club on (date) to determine if the delinquency was satisfactorily resolved.

I urge you to immediately take the steps necessary to resolve the account delinquency within the time specified. If the delinquencies are the result of personal use of the Diners Club card or false claims made by you, additional penalties and charges may also be presented.

Please keep copies of any correspondence and/or evidence of payment to Diners Club. Please feel free to ask me any questions that you may have regarding this matter.





United States Department of the Interior



OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

Memorandum

JUN 3 1992

To:

Director - U.S. Fish and Wildlife Service

Director - National Park Service
Deputy Commissioner - Indian Affairs
Director - Bureau of Land Management
Director - Minerals Management Service

Director - Bureau of Mines

commissioner - Bureau of Reclamation

From:

Assistant Scott 127 Policy, Management and

and Chief Financial Officer

Subject:

Digers Club Account Delinquencies

As you may recall, all Federal agencies were requested to reduce the amount of their employees' delinquent Diners Club charge card accounts. The request was made by the General Services Administration, the Government-wide Diners Club contract administrator.

Overall, the charge card program has proven to be an efficient and effective means for reducing the costs of financing official travel; allowed the Government to reduce borrowing costs by reducing the need for cash advances; and provided U. S. Government employees, who travel frequently, a convenient way of handling official travel-related expenses. Though the program has been very successful, some employees have not honored their obligation to repay Diners Club for authorized charges. The promise to repay all such charges was made at the time the employees applied for the card.

On September 13, 1991, the Principal Deputy Assistant Secretary - Policy, Management and Budget issued a memorandum informing you of the delinquency problem and described the actions to correct the problem. A three step approach was developed: (1) the Office of Financial Management (PFM) was to contact each employee with a balance over 180 days and request that the delinquent balance be resolved; (2) periodic notices were to be issued to the employees who failed to respond to PFM's request to resolve the delinquency and disciplinary action after each notice was to be pursued; and (3) improved routine controls were to be established to prevent serious account delinquencies from recurring in the future.

On October 22, 1991, PFM sent the letters described in step one above. Resolution of a delinquent balance could have been accomplished in one of the following ways: (1) payment-in-full; (2) an agreed-upon repayment schedule made with Diners Club; or



(3) a reasonably well documented dispute submitted to Diners Club.

Because not all employees resolved their delinquent balances, it is now time to begin issuing the notices specified in step two of the process. Attachments 1 and 2, respectively, are: (1) a listing of the employees of your bureau who were sent such letters, and (2) a report from Diners Club showing the status of the employees' accounts as of April 27, 1992.

The Solicitor's Office advises that the notice is to be issued by an employee's immediate supervisor and must be in the form of an order to be enforceable. Failure to comply with the supervisor's order constitutes insubordination. Insubordination is the basis for disciplinary action.

Attached are sample notification memoranda which must be adjusted to fit the circumstances of individual cases:

<u>First Notice</u> (Attachment 3): (1) orders the employee to resolve the delinquent balance within 30 days; (2) informs the employee that if the delinquent balance is not resolved, the employee will be insubordinate and suspension without pay for three days will be proposed by the immediate supervisor; and (3) notifies the employee that failure to resolve the delinquent balance could eventually result in dismissal.

<u>Second Notice</u> (Attachment 4): (1) informs the employee that according to Diners Club records the delinquent balance was not resolved within the time specified in the first notice; (2) again orders the employee to resolve the delinquent balance within 30 days; (3) informs the employee that failure to comply will result in another instance of insubordination and that an additional 15 day suspension without pay will be proposed; and (4) reminds the employee that failure to resolve the delinquent balance could eventually result in dismissal.

Third Notice (Attachment 5): (1) informs the employee that according to Diners Club records the delinquent balance was not resolved within the time specified in the second notice; (2) again orders the employee to resolve the delinquent balance in 30 days; and (3) informs the employee that failure to comply will result in another instance of insubordination and that dismissal from Federal employment will be proposed.

A Departmental decision has been made regarding the penalties to be imposed on employees who fail to resolve their delinquent balances. Therefore, appropriate disciplinary action is to be taken as specified above after the time period for complying with each of the notices expires.

In all cases, immediate supervisors must obtain advice and concurrence from both their servicing Personnel Office and Regional Solicitor before notices and proposals for disciplinary



action are issued to an employee. It should be noted that determining whether the documentation in support of a dispute is "reasonably well documented" is up to the discretion of the immediate supervisor. Should the advice of the Personnel Office or the Regional Solicitor deviate substantively from the guidance herein, then PFM must be contacted.

In order for the Department to track the results of this initiative, please submit a report in the format of Attachment 2 to PFM (MS 7258) within 90 days of the date of this memorandum. Further guidance on the report is contained in Attachment 6. In cases where the person is no longer employed by the bureau or the letter sent by PFM was undeliverable, please provide a better address in the report if one is available. Diners Club agreed to provide monthly status reports on collections pursuant to this effort. These will be distributed in order to permit you to better monitor overall progress.

Procedures for routine delinquency follow-up to prevent seriously delinquent accounts from recurring will be issued in the near future. Also, please note that Departmental travel advance policy requires that when an employee's Diner Club card is canceled, the employee cannot be issued an advance greater than if he/she still had the Diners Club card.

Thank you for the efforts to date and your continuing support of this initiative. Should you have questions or require additional information, please contact Steve Varholy, Chief, Division of Financial Administration on 202-208-4427.

Attachments

cc:
Solicitor (w/o attachments)
Assistant Secretaries (w/o attachments)
Bureau Assistant Directors for Administration (w/ attachments)



U. S. Department of Housing and Urban Development

Washington, D.C. 20410-4500



OFFICE OF INSPECTOR GENERAL

RECEIVED

92 AUG 13 PM 4:31 -

SUBCOMMITTEE ON AUGUST 13, 1992

Honorable John D. Dingell
Chairman, Subcommittee on
Oversight and Investigations
Committee on Energy and
Commerce
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Dingell:

This responds to your letter of June 26, 1992, addressed to the former HUD Inspector General Paul Adams. You requested that we examine our agency's history and procedures regarding overdue employee travel advances and delinquent Diners Club accounts.

Based on our review, we have enclosed detailed responses to questions you raised in earlier correspondence with other Inspectors General. In summary, while we did find areas for improvement, overall, the Department did not have significant problems in either area. We found Departmental advances over 30 days old for temporary duty travel totaled less than \$30,000 as of July 15, 1992. This compares with annual Departmental travel costs of about \$15 million. Also, we found that the Departmental outstanding balance for Diners Club accounts as of June 30, 1992 was about \$404,000. Of this amount, \$53,000 was for accounts over 60 days old.

Should your staff have additional questions, please have them contact me on 708-0430 or Chris Greer, Assistant Inspector General for Audit, on 708-0364.

Very sincerely yours,

ohn J. Connors

Deputy Inspector General

Enclosure to DBF

1. Please provide a detailed report by office and agency within your Department of the extent and length of overdue travel advances of Federal money. Please explain why they are overdue under the Department's policies, practices and procedures. Are those policies, practices and procedures adequate and effective? What are they? Are they being ignored or winked at?

HUD maintains a single Departmental system for travel advances. An aging schedule of accounts over 30 days old is as follows:

Outstanding Travel Advances As of July 15, 1992

Temporary Duty

	31-60	<u>61-90</u>	91-120	<u>Over 120</u>
Headquarters Field	\$ 4,025 <u>8,183</u> \$12,208	\$1,392 <u>4,797</u> <u>\$6,189</u>	\$ 0 3,749 \$3,749	\$2,034 4,635 \$6,669
	Perman	ent Change	of Station	
Headquarters Field	\$ 0 <u>0</u> \$ 0	\$2,029 0 \$2,029	\$ 0 0 \$ 0	\$ 6,584 _15,132 \$21,716

We believe the Department's policies, practices and procedures are adequate and effective in preventing large balances in overdue travel advances.

HUD uses a fixed date method of tracking travel advances through the HUD Administrative Accounting System. A delinquency notice is sent to employees with advances more than 30 days past due. A second notice is generated when the advance becomes more than 90 days past due. HUD's policy in the management of advances is attached. We reviewed several outstanding advances and found that employees were notified of delinquent balances. Also, we believe this procedure has helped in keeping delinquent advances from growing.



In accordance with Federal Travel Regulations (FTRs), HUD limits advances to 80 percent of those proposed travel costs considered "cash transaction expenses." This is generally a small portion of the proposed travel costs. Consequently, outstanding advances for regular business travel are limited.

Permanent Change of Station Travel is not subject to these advance limitations and advances are significantly larger. The FTRs allow for the advance of funds in 30 day increments for temporary quarters subsistence expenses. The FTRs require that final settlement be made for a change of station move within 2 years. It is not uncommon for permanent change of station advances to remain outstanding for several months. We tested a portion of the permanent change of station account balance over 120 days old. We found outstanding balances were for appropriate permanent change of station moves that had not reached final settlement.

We tested delinquent advances to determine why they were overdue under Departmental policy. Two factors primarily contributed to delinquent balances. First, some employees did not promptly submit travel vouchers to liquidate their advances. Secondly, some travel advance payments were not properly posted to the accounting system, resulting in errors in the reported balances.

In conclusion, while there is room for improvement in the oversight of travel advances, we do not believe that travel advance problems are significant in terms of the approximate \$15 million of HUD annual travel costs incurred.

2. Please explain to me how, in any month, the Department permits such large overdue accounts in the case of charge cards? Please provide the report of all such accounts from January 1990 to the present. If the employees are "continuously" overdue, what actions can the Department take to halt this practice? What actions has the Department taken? Are they effective? Does the Department revoke cards?

A Diners Club account is established in the name of each individual cardholder. HUD assumes no liability for employee charges. A program coordinator is designated for each Headquarters Administrative Office and each Field Office. These individuals coordinate the Diners Club program in their respective offices, including monitoring employee usage.



Most employees pay their Diners Club bills upon reimbursement of their travel voucher. The timeliness of this reimbursement depends on the prompt action of the traveler, approving official and accounting office. Departmental policy requires the traveler to submit their travel voucher within 5 work days of completing the trip, the approving official has 3 work days to take action (return for correction or forward to accounting) and the accounting office is required to process travel payment to Treasury within 15 work days.

As evidenced by the aging Diners Club schedule below, HUD does not have a significant problem with delinquent Diners Club accounts. We understand that Diners Club does not consider accounts truly late until 60 days past due. Thirteen percent of HUD's balance falls in this category. HUD's current balance is \$257,449 or 64 percent of the outstanding balance.

Aging Status of Diners Club Accounts
As of June 30, 1992

	30 Days	60 Days	90 Days	<u>120 Days</u>
Headquarters	\$54,962	\$ 7,608	\$ 1,812	\$ 1,801
Region 1	672	0	0	0
2	6,021	5,230	4,601	2,985
3	6,435	2,367	3,753	2,805
4	4,928	5,582	412	1,051
5	4,835	1,073	73	3,337
6	3,553	590	285	125
7	1,762	1,331	285	354
8	2,692	115	402	593
9	5,619	2,186	589	307
10	2,961	687	612	309
Totals	\$94,440	\$26,769	\$12,824	<u>\$13,667</u>
Percent	23%	7%	3%	3%

There are several reasons for past due accounts. On some occasions, travel extends beyond a 1-month period. In these cases, an employee may not have filed a voucher to cover a previous month's Diners Club charge. Consequently, the charge may move past the current stage. Also, we have found some employees do not comply with the timeframes in submitting travel vouchers for reimbursement within 5 working days. Consequently, the delayed travel reimbursement may affect the timeliness of their Diners Club payment.



The Department maintains no formal record of assistance in recovering past due accounts. Each program coordinator receives a monthly status report of employee account balances. Some coordinators are more aggressive than others in following up to see that past due accounts are paid. According to the Diners Club contract, Citicorp may request assistance in collecting accounts more than 60 days old. However, no requests to aid in collections have been received.

3. Please explain why Citicorp had to write off any sums in the case of HUD employees, particularly if they are still employed by HUD. Did such a write-off occur in 1991? If yes, what was it?

From the program's inception in 1987 through December 1990, total write-offs for HUD amounted to \$6,262. Information through calendar year 1991 was not yet available through Diners Club. While Diners Club can ask the Department to assist in collection efforts, to our knowledge, no requests have been received.

HUD is not involved in the decision to "write off" a delinquent account. Also, we have not been advised as to the specifics of employee accounts written off.





U.S. Department of Housing and Urban Development Washington, D.C. 20410-3000

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

APR 5 1991

MEMORANDUM FOR: Principal Staff

All Regional Administrators-Regional Housing

Commissioners

FROM: \ Assistant Secretary for Administration, A

SUBJECT: POLICY: Management of travel advances and travel vouchers

This is to request your assistance in connection with implementing the regulations concerning the taxability of travel advances. Applicable regulations are Income Tax Regulations (26 CFR Part 31) under Sections 3121, 3231, 3306, and 3401 of the code, resulting from the Family Support Act of 1988, Public Law Number 100-485. Beginning in calendar year 1991, we will implement the regulations fully, including the issuance of Form W-2, Wage and Tax Statement, as necessary. This new policy will not affect advances for single trips of more than 30 days at a temporary duty location, or relocation travel.

On December 27, 1990, the Office of Finance and Accounting (OFA) issued Staff Bulletin 91/31, "Internal Revenue Service (IRS) Reporting and Withholding on Employee Business Expense Reimbursements and Allowances," to alert employees who travel that advances will be reported on Form W-2 if they are retained beyond 120 days. How do we keep advances from becoming taxable? The most direct answer is that Form W-2 will not be necessary if vouchers are submitted on time. Accounting offices will fully implement issuance of salary offsets before an advance becomes 120 days old.

When the employee receives an advance, and does not use all of it, any balance must be repaid with a personal check-or money order. The employee may also use a personal Visa or Mastercard, to repay the unused balance. Even though special



efforts will be made by accounting offices to inform and assist employees to avoid taxability, non-issuance of a memorandum does not relieve the employee of the responsibility for substantiating and/or repaying his/her travel advance.

We need you to ensure that all employees in your organization; employees who travel on official business, and managers, are aware of their responsibilities in keeping travel advances and travel vouchers current. Compliance by these persons is critical to this process. In this regard, we have outlined the responsibilities of all employees involved in the travel process.

We appreciate your efforts and those of your staffs to successfully implement this program in calendar year 1991. If you have any questions or need additional information, please contact Lena Jones, Management Analyst, on 708-2193 or FTS 458-2193.

Attachment



MANAGEMENT OF TRAVEL ADVANCES AND TRAVEL VOUCHERS

Background

The Department of Treasury, Internal Revenue Service, published the final regulation on 'Employee Business Expenses > Reporting and Withholding on Employee Business Expense Reimbursements and Allowances,' in the Federal Register on December 12, 1990. This regulation reflects changes to the law made by the Family Support Act of 1988. OFA has taken the following actions to implement this new regulation.

- o Issued a staff bulletin to alert employees who travel that advances will be reported on a Form W-2 if they are retained beyond 120 days.
- o Advised employees that all advances must be substantiate'd by submitting a travel voucher for expenses incurred and/or repaying any remaining balance with a check or money order before the 120th day. Each time an advance becomes taxable, employment taxes will be withheld from the employees next salary check.
- o Mandated Accounting offices to fully implement the issuance of salary offsets before an advance becomes 120 days old to avoid the taxability issue.

We also prepared a chart of the duties and responsibilities of employees involved in the travel process. A copy of this policy memorandum will be distributed to all Regional Accounting Directors and Headquarters Administrative Officers.

Prepared by: Lena Jones



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF FINANCE AND ACCOUNTING

MARAGRMENT OF TRAVEL ADVANCES

RESPONSIBILITIES OF EMPLOYEES INVOLVED IN THE TRAVEL PROCESS

	HAVI VIDIDIDITIAN VE BILIVIAN	THIODIAD IN THE THIODIAN	
timely basis, to ensure that employees are filing travel vouchers and/or repaying travel advances according to the HUD Travel Handbook, 2300.1, the Federal Travel Regulations and the taxable travel advance regulation. - HUD uses the fixed date method of tracking travel advances through the HUD Administrative Accounting System (HAAS) based on the date travel is schedul- ed to begin. The first notice is generated at the end of the month when the advance becomes more than 30 days past due. The second notice is generated when the advance becomes more	Immediate Managers and/or Approving Officials o Ensure that travelers fulfill their responsibilities. o Review and verify advance forms and travel vouchers promptly and send to the appropriate accounting office for processing. - Verify that the required statement "Submitted in compliance with the Family Support Act of 1988" is included in block 12 of SF-1038, Application and Account for Advance of Funds. Make sure the employee understands his/her responsibility regarding the repayment of travel advances. - Verify that the requested amount is for a single trip.	o Request each travel advance in an amount equal to 80% of the expenses expected to be incurred that cannot be charged to the Government Diners Club Card. An advance for lodging will not be approved unless the lodging establishment will not accept the Card. This fact must be documented on the form HUD 25, Travel Order Request and Authorization. Provide the name, address, and telephone number of the hotel/motel. Send a copy of the travel order to the Travel Management Staff in Headquarters, Room 3224. - Advances are issued to cover a single trip or for 30	- Mon-issuance or non-receipt of a notice, outstanding or delin- quent, does not remove the
is generated at the end of the month when the advance becomes more than 30 days past due. The second notice is generated	stands his/her responsibility regarding the repayment of travel advances.	the Travel Management Staff in Headquarters, Room 3224. - Advances are issued to cover	taxable. - Mon-issuance or non-receipt of a notice, outstanding or delin-

(Continued) Principal Staff and Regional Administrators-Regional Housing Commissioners	Managers	Travelers	Accounting Offices
Management level in your organization to monitor travel advances. O Review travel related reports; (1) travel advances outstanding, and (2) unliquidated obligations. These monthly reports are sent to each Office by the respective accounting office. This review and monitoring is to keep advances from becoming subject to taxation. O-Ensure that travel advance memoranda are distributed to travelers through the Division Director, or designee. O Ensure that a notice from the accounting office, concerning the issuance of Form W-2 is promptly given to the traveler.	- Verify that the employee does not have an existing advance which is, or may become outstanding (more than 30 days past due), or delinquent (more than 90 days past due). - If the advance is to be obtained from an imprest fund, sign the advance no earlier than 5 workdays prior to the beginning of the trip. Return the signed original to the employee. o Ensure that the outstanding or the delinquent travel advance notice generated by HAAS is distributed to travelers promptly. The purpose of these notices is to alert individual travelers that a travel voucher and/or payment must be submitted to the accounting office to avoid advances from becoming delinquent (120 days past due) and thus taxable. o Ensure that each traveler repays his/her advance immediately if the advance becomes overdue, or if the travel is cancelled or postponed. The advance is repaid by submitting a travel voucher, and/or personal check or money order, or with the employees personal Visa or Mastercard.	ing travel and use a revolving advance account. - Attach a check or money order to the front of the voucher or repay any excess advance with your personal Visa or Mastercard. - Always keep a copy of your SF-1038, and each approved SF-1012, for your records. - Repay the entire account balance as soon as you find that the travel is cancelled or postponed. - If you have a revolving travel advance and make two trips each month, you may retain the advance provided: (1) you submit a voucher each month, and (2) your manager approves the reten-	- Throughout the year, each time an advance becomes taxable, take the appropriate action to have employment taxes withheld from the employee's next salary check NOTE: This is not to be done during the last month of the calendar year, because there is not enough time for the taxes to be withheld from the employee's last salary check for the calendar year. - Advise travelers that repayment after the 120th day will not reverse the taxability of the advance. - Hake every effort to assist and advise travelers who believe that he/she should not have taxes withheld. - Maintain all records necessary to support withholding of taxes and issuance of Forms N-2 for 3 years. NOTE: ISSUANCE OF A SALARY OFFSET BEFORE AN ADVANCE IS 120 DAYS OLD MUST BE FULLY IMPLIMITED IN CALENDAR YEAR 1991 TO AVOID TAXATION OF A TRAVE ADVANCE.

NARA-18-1003-A-003072

(Continued) rincipal Staff and Regional Administrators-Regional Housing Housing Commissioners	Hanagers	Travelers	Accounting Office
	o When reviewing a travel voucher: - Yerify that the traveler submits a voucher within 5 workdays after completion of the trip.		
	- In the case of travelers who have a revolving advance, ensure that a voucher is submitted each month.	٠.	
	- To maintain a revolving advance, the employee must accomplish two trips each month. A revolving advance must be adjusted to an amount in the range of his/her documented monthly travel. An employee cannot carry a \$500 advance when historical data shows that his/her expenses are usually in the \$100 - \$300 range. The excess amount above the average monthly expenses, must be returned to avoid tax consequences.		
	- Continually monitor your employees' accounts, to ensure that these travelers are still entitled to a revolving advance.	· .	
•	- Verify that when the amount of expenses claimed is less than the amount advanced, the check or money order is attached to the travel voucher. If for some reason the advance is not completely liquidated with the voucher, follow-up with the employee to make sure he/she liquidates the remaining amount as soon as possible to avoid the tax.	•	



UNITED STATES DEPARTMENT OF COMMERCE The Inspector General

Washington, D.C. 20230

141

92 SEP -8 PH 4: 43 SEP 4 1993

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

TO RS DBC MR

Honorable John D. Dingell
Chairman, Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
House of Representatives
Washington, DC 20515-2216

Dear Mr. Chairman:

Enclosed is a copy of our final inspection report on the management and oversight of travel advances and Diners Club accounts throughout the Department of Commerce.

One of the main objectives of this inspection was to address your concerns regarding federal agencies' handling of travel advances and Diners Club activities. Our conclusions validated many of your concerns and identified other issues that warrant management's attention.

We are pleased that the Secretary, Secretarial officers, staff of the Chief Financial Officer and Assistant Secretary for Administration, and General Counsel officials are working closely with our office to address these issues. We are confident that Commerce officials are taking the steps to significantly minimize -- if not eliminate -- Diners Club charge card problems.

Sincerely,

Frank DeGeorge

Enclosure to DBF

cc: Honorable Thomas J. Bliley





AUGUST 1992

REPORT NO. IRM - 4607



U.S. DEPARTMENT OF COMMERCE
Office of Inspections and Resource Management







August 31, 1992

MEMORANDUM FOR: Preston Moore

Chief Financial Officer

and Assistant Secretary for Administration

FROM:

Frank DeGeorge

Inspector General

SUBJECT:

Final Inspection Report on the Management and

Oversight of Travel Advances and Diners Club Accounts

Office of the Secretary (Report No. IRM - 4607)

As a follow-up to our July 29, 1992, draft report, this is a final report on our inspection of the Management and Oversight of Travel Advances and Diners Club Accounts.

We thank the Director, Office of Financial Assistance and Management Support, her staff, and the various bureau travel and Diners Club coordinators for the assistance and courtesies extended to us during our inspection.

Attachment



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OFFICE OF INSPECTOR GENERAL FINAL INSPECTION REPORT TRAVEL ADVANCES AND DINERS CHARGE CARD ACTIVITIES IN THE DEPARTMENT OF COMMERCE

EXECUTIVE SUMMARY

The Office of Inspector General conducted an inspection of departmental use and management of travel advances and Diners Club charge card activities. The inspection was prompted partially by congressional concerns about federal agencies' handling of (1) outstanding excessive travel advances and (2) problems associated with government-issued Diners Club charge cards. The inspection was also prompted by the concerns previously expressed by officials of the Office of the Chief Financial Officer and Assistant Secretary for Administration, regarding some employees' questionable use and handling of their government-issued Diners Club charge cards.

As we detail beginning on page 3, we found the Department's policies and procedures for identifying and collecting excessive outstanding travel advances to be satisfactory. The Department has developed a system that can, and usually does, ensure that excessive outstanding travel advances are kept to a minimum. However, we did conclude that controls should be tightened for employees terminating their employment. It is important that the Department's two payroll processing centers be notified in time for any unpaid travel advances to be deducted from employees' pay before they officially leave Commerce. We also found that some managers apparently are not adequately monitoring the status of their employees' outstanding travel advances. (See page 4.)

In contrast to our generally positive observations on the Department's handling of outstanding travel advances, we found problems in the use and monitoring of Diners Club charge card activities:

\$250,000 has been "written off" by Citicorp as uncollectible: Citicorp Diners Club has had to write off the unpaid account balances of some current and former employees of the Department who failed to pay their bills. It is not acceptable for departmental employees to avoid paying legitimate Diners Club bills, especially when they have been reimbursed by the Department for the official expenses charged to the card. Failure to pay such bona fide debts raises the issue of employee misconduct. (See page 4.)

Many Commerce employees accounts are delinquent. Many Commerce employees are not paying their Diners Club bills promptly. The government's agreement with Citicorp requires monthly payment in full. A Diners Club delinquency report dated June 30, 1992 showed that \$453,000 (about 29% of total billings outstanding) was delinquent. Of this amount \$143,000 was over 60 days delinquent and \$38,000 was more than 90 days delinquent. We also found instances where employees have



routinely failed to pay their accounts in full, in effect, generating interest-free loans. (See page 5.)

Official credit cards are improperly being used for personal purposes. In our sample review of three months of records, we found that more than 300 Commerce employees had used their Diners Club cards for apparent personal purposes. This is contrary to the Citicorp Diners Club/government agreement and in direct violation of specific Commerce policies, which strictly limit the use of the cards to official business while on official travel. We used the criteria that use of the card at an employee's duty station or use at questionable vendors (liquor, jewelry, department stores, etc.) was probably personal use. Such behavior may be considered employee misconduct. (See page 6.)

Managerial and supervisory oversight is lacking. Commerce managers and supervisors do not adequately monitor Diners Club charge card activity by their employees. Hence, abuse of card privileges has not been stopped. (See page 8.)

We found little evidence of management action by Commerce supervisors to curb charge card abuse. In our interviews, some managers seemed uncertain of their responsibility; others rationalized that there was "no loss to the government" so they had no responsibility if cards were used personally or account balances were not paid.

Some agency managers do attempt to persuade employees to pay their bills. However, in the absence of guidelines from the Department, there is no consistency in the response of managers to Diners Club charge card problems and abuses.

As with our observations on travel advances, we found that procedures for employees leaving Commerce need to be strengthened to ensure that all charge cards are turned in and all outstanding balances settled *before* the employees officially leave the Department.

In separate reports, we will be providing appropriate Department secretarial officers with the results of our analysis of Diner's Club charge card activity within their respective bureaus for a selected (sample) period. For those instances involving apparent abuses and potential employee misconduct—including write-offs, personal use, and delinquencies—we will be requesting that the secretarial officials thoroughly examine the individual cases, including the managerial oversight exercised, and report back to us on their findings. On a broader scale, the Office of Federal Assistance and Management Support must (1) institute routine oversight of Diners Club charge activities and (2) strengthen departmental oversight to better ensure compliance with established policies. (See page 10.)

Our recommendations to address these concerns begin on page 11.

In responding to our July 29, 1992 draft report, the Chief Financial Officer and Assistant Secretary for Administration advised that he is in agreement with our



findings and recommendations. He pointed out that many of the issues identified by our inspection have been of concern to both of our offices since his staff first learned in 1991 that the Diners Club had written off unpaid balances for some Commerce employees.

Our inspection has determined that abuse of Diners Club card privileges is extensive. The CFO/ASA agreed to aggressively pursue the problem as an employee misconduct issue. He advised that his office is prepared to work closely with our office to ensure that Diners Club card privileges are not abused and to take those actions necessary to strengthen management oversight of the Diners Club charge card activities.



INTRODUCTION

The Office of Inspector General conducted an inspection of the Department's monitoring and handling of travel advances and Diners Club activity. At the conclusion of the inspection, we discussed our findings in detail with the director of the Office of Federal Assistance and Management Support. We also identified individuals who have abused their Diners Club privileges and reported our findings to the heads of the appropriate bureaus. We included employees who (1) had accounts written off for nonpayment, (2) were delinquent in their payments, or (3) used their cards for personal purchases.

Inspections are special reviews that the OIG undertakes to provide agency managers with timely information about operations, including current and foreseeable problems. Inspections are also done to detect fraud, waste, and abuse of budgetary resources and to encourage effective, efficient, and economical operations. By highlighting problems, the OIG intends to help managers move quickly to address them and avoid them in the future.

This inspection was conducted from April 15 to June 12, 1992, in accordance with the Inspector General Act of 1978 and the *Interim Standards for Inspections* issued by the President's Council on Integrity and Efficiency, as adapted by the Department of Commerce, Office of Inspector General.

PURPOSE AND SCOPE

The purpose of this inspection was to review the Department's monitoring and handling of travel advances and Diners Club charge card activities. We (1) reviewed the Department's policies and procedures for identifying and collecting overdue advances, (2) evaluated those policies and procedures, and (3) determined whether, in practice, the policies and procedures were being followed.

We reviewed the Citicorp Diners Club contract with the government as well as the governmental and departmental regulations that apply to Diners Club charge card use. We concentrated our analysis of Diners Club activity on determining whether employees are paying their bills on time and whether the cards are being used for personal purchases. We also assessed the effectiveness of managers' monitoring and oversight of charge card use.

We contacted officials of other government agencies to determine the policies and procedures they used to monitor and control Diners Club charge card use. We also met with Diners Club representatives to discuss methods of identifying possible personal use of the cards.



BACKGROUND

In March 1992, we received a congressional request to review the Department's handling of Diners Club charge card activities and travel advances. In responding to the request, we recognized that additional work was needed to more thoroughly assess and recommend improvements to the Department's oversight and handling of these responsibilities. In addition, it should be noted that last year the Director of the Office of Financial Assistance and Management Support, CFO/ASA, expressed concern that some Commerce employees were apparently abusing their Diners Club charge card privileges. Hence, our inspection sought to address her concerns in this regard including (1) the question of employee behavior in addressing personal debt and (2) use of cards for unofficial purchases.

The Finance Services Division in Germantown, Maryland is responsible for processing and monitoring travel advances for all but two small bureaus of the Department (Patent and Trademark Office and the NOAA Corps). FSD identifies overdue or excessive travel advances using an automated formula. The system then generates warning letters to those employees with problem advances. We did not review the two small bureaus. FSD provides departmental managers with monthly listings of outstanding travel advance balances for their employees. Managers and supervisors are expected to monitor the reports for excessive travel advances.

Office of Federal Assistance and Management Support is responsible for issuing policy and guidance for Diners Club. OFAMS monitors only Office of the Secretary charge card activity--it does *not* routinely receive printouts of Diners Club activity for bureaus other than Office of the Secretary. Commerce bureaus have responsibility for controlling their own Diners Club cards. Each bureau head has designated a coordinator to administer the charge card program for the bureau.

The General Services Administration has a contract with Citicorp Diners Club to issue charge cards to designated federal employees. The Department of Commerce has restricted use of the charge cards to purchases made while on official travel only. Employees are billed directly by Diners Club, and are personally liable for all charges that are incurred. As of May 31, 1992, there were 10,394 active Diners Club charge cards issued to Commerce employees. Since Commerce adopted the program in 1983, its employees have charged over \$60 million on their Diners Club cards; billings for fiscal year 1992 so far indicate an annual rate of about \$13 million.



OBSERVATIONS AND CONCLUSIONS

I. TRAVEL ADVANCE POLICIES AND PROCEDURES FOUND GENERALLY EFFECTIVE: ONLY MINOR IMPROVEMENTS NEEDED TO STRENGTHEN COMPLIANCE

The Department of Commerce has in place policies and procedures to limit the amount of excessive (overdue) travel advances held by its employees. To avoid unjustified outstanding balances, the Department has implemented procedures for analyzing and reviewing travel activity. Essentially, travel advance balances are considered excessive if retained for two months or more, and in excess of a 45-day demonstrated need.

Our review of Commerce procedures found them to be effective in (1) identifying overdue and excessive advances and (2) collecting advances from employees. As we detail in Appendix I, the Department has developed and implemented a travel advance system with a variety of internal controls to ensure that the government's funds and its best interests are protected. Even with these controls, however, hundreds of advances totaling several hundred thousand dollars were identified as excessive in each of the two periods we reviewed.

The Finance Services Division has ultimate responsibility for monitoring the travel advances for all but two small components of the Department. To test the procedures established by Commerce to identify and collect excessive advances, we tracked two complete travel demand letter cycles from the issuance of the first demand letter to the payroll deduction for unresponsive employees.

We reviewed the demand cycle beginning October 31, 1991, to test FSD procedures. On October 31, 1991, 439 demand letters were sent to Commerce employees. These employees had excessive outstanding advances of \$356,273. During the next 30 days, 188 excessive advances totaling \$146,356 were cleared either by cash refund or voucher submission. On December 2, 1991, a second and final demand letter was sent to individuals who had not settled their advances. On January 21, 1992, a notice was sent to the payroll center to begin deductions for the 52 employees who still owed \$21,978 in excessive advances. Deductions of \$16,685 were subsequently made from the employees' salary checks for pay period January 12 - January 25, 1992. As part of this test, we also randomly selected four travelers who had been sent demand notices and were not included on the payroll deduction listing to see why their names were no longer listed. We found that all four had settled their accounts by personal check or voucher submission. We also reviewed the demand cycle beginning January 9, 1992. On January 9, 1992, 451 demand letters were sent to Commerce employees. These employees had excessive outstanding advances totaling \$381,927. On February 2, 1992, a second and final demand letter was sent to individuals who had not settled their advances. On March 19, 1992, a notice was sent to the payroll center to begin deductions for the 59 employees who still owed \$30,041 in excessive advances. Deductions were then made from these employees' salary checks. As part of this test, we also randomly selected a sample of travelers who had been sent demand notices.



We found that all of our sample had either settled their advances or had deductions made from their salaries.

As we noted, we found that departmental procedures are adequate for identifying overdue and excessive travel advances. We also concluded that FSD fulfills its responsibility in ensuring that Commerce's automated systems comply with departmental procedures for collecting travel advances.

However, we found that Commerce managers and supervisors are not uniformly and consistently providing the necessary oversight and management of employees with outstanding overdue or excessive travel advances. Additionally, Commerce managers are *not* routinely fulfilling their responsibility to ensure that FSD is notified when an employee is separating from the Department with an outstanding travel advance. This notification is essential to enable FSD to take action to deduct the outstanding balance from the employee's final payroll check.

The Department needs to work with the bureaus to ensure that all managers routinely monitor travel advances. It also needs to warn managers that disciplinary action will be taken against them if they fail to fulfill this responsibility.

II. MANY PROBLEM AREAS NOTED IN DINERS CLUB PROGRAM

We reviewed charge card-activity by Department of Commerce cardholders. Using available reports and records, we reviewed Diners Club activity for a three-month period for the 10,394 cardholders of all Commerce bureaus. In most cases, we reviewed the three months ending in May 1992; however, concurrent records were not available for all bureaus. In these cases we chose other months in order to get a three-month sample.

We also obtained historical information on payment activity from Diners Club. We found much to be concerned about with regard to employees' use of the cards and the Department's monitoring and control over card activity.

A. Employees' Accounts Written Off for Nonpayment

Since inception of the charge card program at Commerce in 1983, Citicorp Diners Club has written off about \$250,000 of account balances for Department of Commerce cardholders. These accounts were written off after Diners Club determined them to be "uncollectible." Diners Club's policy is to write off accounts as uncollectible when they have been outstanding for 360 days and the cardholder refuses to agree to a repayment schedule.



WRITE-OFFS

YEAR	<u>AMOUNT</u>
1983	-0-
1984	-0-
1985	12,802
1986	14,235
1987	9,804
1988	18,398
1989	56,390
1990	64,661
1991	58,165
1992 (As of 4/7/92)	<u>15,179</u>

\$249,634

(See Appendix II for yearly breakdown by agency.)

Diners Club representatives suggest that they are very flexible in their collection efforts and attempt to work out a payment schedule. Normally they offer the cardholder the option of paying a certain amount each month until the bill is paid.

However, some Commerce cardholders have refused to make any arrangement with Diners Club, forcing it to write off account balances as uncollectible. The largest account written off was \$10,758. Eleven others exceeded \$5,000 each.

Neither Office of Federal Assistance and Management Support nor the Office of Inspector General were aware until mid-1991 that Diners Club had to write off accounts. The bureau coordinators, however, have been routinely provided with monthly printouts by Diners Club listing overdue advances. Unfortunately, we saw no evidence that any effective action was taken to persuade these cardholders to pay their Diners Club bills.

B. Employees Not Paying Their Diners Club Bills On Time

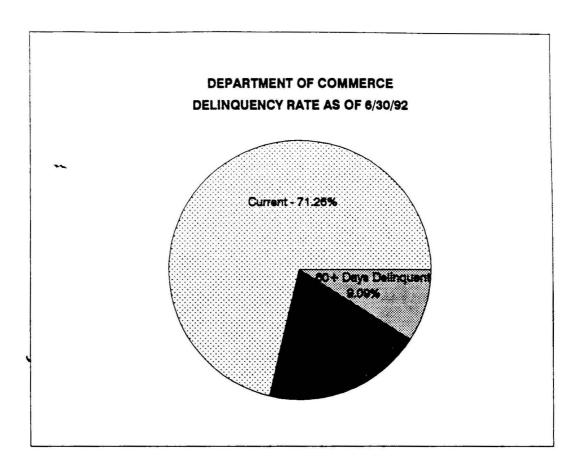
In addition to finding that accounts have been written off, we found that Commerce cardholders have delinquent balances totaling more than \$450,000, according to latest available data from Diners Club.

The government contract and cardholder membership rules require full payment of accounts every month. Deferred payments are not allowed. Each cardholder signs two forms: the Application to Diners Club and the Employee Acknowledgement Statement. The latter states that the employee agrees to the terms of the card program and will abide by its policies and procedures.

Diners Club allows an additional 30-day grace period before it classifies an account as delinquent. The most recent consolidated delinquency report from Diners Club



showed \$143,283 (9.1%) in delinquent balances over 60 days old. More than \$38,000 (2.4%) was over 90 days old.



Once the 90-day threshold is passed, Diners Club will usually cancel a card. History has shown Diners Club that once an account becomes 90 days old its collection is doubtful.

Our review of Diners Club disclosed a pattern of repeated delinquencies and partial payments on the part of some employees. Since a provision of the contract with Diners Club is that interest is *not* charged for delinquent payments, these employees have, in effect, received interest-free loans.

C. Employees Improperly Using Their Cards For Personal Use

From our three-month sample, previously described, we found that more than 300 employees had used their cards to make what appeared to be personal purchases involving tens of thousands of dollars. Essentially, we considered personal purchases to be those charges to the Diners Club charge card that were (1) made in the vicinity of the employee's duty station, or (2) made at vendors not normally associated with official travel (liquor, jewelry, and department stores, florists, and home shopping



networks). We also questioned multiple purchases of airline tickets under the employee's name.

The employees listed below had at least three or more probable personal charges in our three-month sample.

Total	10,394	107
ESA	42	0
NIST	753	0
OIG	134	1
BXA	195	0
ITA	683	13
O/S	232	2
TA	17	0
USTTA	33	0
MBDA	110	1
CENSUS	2,908	52
NTIS	45	0
EDA	160	8
NTIA	160	1
PTO	97	0
'NOAA	4,825	29
NAME	ACTIVE CARDS	EMPLOYEES
BUREAU	NUMBER OF	NUMBER OF

To gain additional insight into the nature of this problem, we interviewed six employees who had made numerous purchases that appeared to be personal in nature. At least three claimed that they were not aware of the prohibition against personal use. Such claims were made despite the fact that each cardholder must sign the two forms mentioned earlier, the Card Application and the Employee Acknowledgement Statement. Both of these state clearly that the card is to be used for official government business only. The latter requires that each employee sign after reading the following statement:

"I certify that I have (1) received, read and understand the policies and procedures prescribed by the <u>DOC Travel Handbook</u> issued by the Director, Office of Finance and Federal Assistance, Office of the Secretary, Department of Commerce pertaining to the Contractor-Issued Government Charge Card Program, (2) that I will abide by such policies, procedures, and other instructions as may be issued by the Department, GSA, and the Diners Club, Inc., concerning the use of the Card issued to me; and (3) acknowledge that the Card is to be used for official Government business only."

Bureau coordinators should maintain copies of these forms as further evidence that employees are aware of the prohibition on personal use. During our inspection, we



found that several coordinators have not done this consistently in the past. The Department should mount an awareness campaign to ensure that employees remember the prohibition against personal use.

D. Diners Club Activity Not Monitored and Controlled

Improvement is needed in the monitoring and controlling of Diners Club activity within the Department. Each bureau is responsible for managing its own program, and the amount of control each one exercises varies widely. The National Institute of Standards and Technology, for example, has established specific procedures and timetables for following up on employees who are delinquent in their payments. Other bureaus follow up sporadically or not at all.

Unfortunately, we found that a system of monitoring and oversight to ensure that Diners Club cards are used for authorized purchases *only* is virtually nonexistent throughout the Department.

We discussed delinquent payments and personal use of cards with bureau managers and coordinators from several of the largest bureaus who acknowledged that they were aware of the problems. They offered several excuses for not following up to identify personal use of cards:

- It's not their responsibility.
- They lack resources to review card activity. The National Oceanic and Atmospheric Administration, for example, has over 4,800 cards that would have to be reviewed.
- They see nothing wrong with employees using their cards for personal purposes as long as they pay their bills on time. Some managers argue that they do not see any harm to the government from personal use of Diners Club cards.
- The Department needs better guidance emphasizing that the cards cannot be used for personal purposes.

After analyzing the Department's Diners Club activities, we recognized the difficulty in manually reviewing cardholder activity to spot personal use in the large bureaus such as NOAA. We discussed this with the NOAA coordinator, asking whether some less staff-intensive method might be available. After our discussion the NOAA coordinator contacted Diners Club to see if it could be of assistance. Diners Club responded that it does have a pilot program to identify possible personal use. We have since attended a demonstration by Diners Club of its pilot program. We are convinced that it provides good potential for identifying personal use. The program furnishes monthly automated lists of employees with probable personal use. Diners Club does the processing and provides the data free of charge. The only cost is a one-time \$200 charge for the software.

NOAA intends to try this pilot program, and we urge the Department to work with Diners Club to obtain the program at the lowest cost to the Department. The savings in time and cost over manually reviewing employee activity would be significant.



Some managers question whether supervisors should intervene or assist in collection efforts when the agreement is between Diners Club and the cardholder. Other managers—some of whom would like to be more aggressive in pursuing delinquent employees—say the Department needs to establish better guidelines for the bureaus to follow. We agree with the second group. The director, Office of Federal Assistance and Management Support, should establish specific guidelines spelling out the role of bureau managers in monitoring and controlling Diners Club use. Moreover, the Department needs to establish guidelines for the Office of Secretary to use in evaluating the bureaus' monitoring effort.

E. Employees Not Disciplined for Inappropriate Use of Cards

Employee Responsibilities and Conduct, 15 CFR 0.735-16, requires government employees to pay each just financial obligation in a proper and timely manner. The Department's Administrative Order 202-735A, in addressing private indebtedness, also states that:

"c. An employee who fails to pay each just financial obligation in a proper and timely manner shall be subject to disciplinary action, including suspension or removal."

The Department refers to the DAO in its *Policies and Procedures for the Contractor-Issued Government Charge Card*, which is given to all cardholders to read before accepting the card. The procedures state in Section 5. (a) iii. that

"Bureau coordinators and/or servicing personnel may contact the employee or his/her supervisor to determine the reason(s) for the delinquency and to provide assistance or counseling necessary to settle the debt."

With these policies and guidelines, Commerce managers have a number of options for dealing with employee problem accounts. Unfortunately, we found that supervisors have not aggressively pursued the options available to them. We found no evidence of any disciplinary action being taken against employees for abuse of card privileges. In our discussions with managers and supervisors, we found that they were uncertain about what their role in monitoring and controlling Diners Club activity should be.

Several managers expressed the opinion that the agreement is between Diners Club and the cardholder, and that the government has no obligation to intervene to assist Diners Club in its collection effort. Although the DAO addresses private indebtedness, the Department has not emphasized to its managers their responsibility under the CFR and its implementing DAO to assist in the collection process.

The Department should establish firm guidelines for bureau managers to use in taking personnel actions against employees who do not pay their bills on time or who use their cards for personal use. The guidelines should identify specific disciplinary actions to be taken, such as an official written reprimand for the first violation and immediate cancellation of the employee's charge card for the second offense. Representatives we talked to at one government agency said they give a reprimand for



first offense, a seven-day suspension for second offense, and termination for third

III. SEPARATION PROCEDURES NEED TO BE TIGHTENED

The Department should tighten up the procedures it follows when an employee leaves Commerce. A statement should be added to the employee sign-out sheet acknowledging that the government-issued Diners Club charge card has been returned. This would prevent an employee from retaining his Diners Club card for personal use after he leaves Commerce. The Department should require each bureau to match up its list of outstanding Diners Club cards with a current personnel listing to ensure that no terminated employee has a government-issued card.

The separation procedures should also be amended to ensure that employee travel advances are settled prior to separation. Present procedures rely on the signature of an employee's supervisor to mean that the employee does not have an outstanding travel advance. Unfortunately, this is not always the case. Some supervisors have not been diligent in contacting the travel office, Finance Services Division, to see whether there is an outstanding balance. Officials confirmed that there have been instances where employees have left the Department with unpaid travel advances. (Unfortunately, there are no available data to determine the extent of the problem.)

The Office of Federal Assistance and Management Support, in conjunction with the Office of Human Resources Management, should reemphasize to the bureau clearance officials that it is their responsibility to ensure that Finance Services Division or other appropriate travel/administration office is notified ahead of separation so that it can advise the National Finance Center to deduct the amount of any outstanding advances from an employee's final payroll check, as appropriate. FSD personnel passed on several suggestions for improvement and the Department should work with that division to implement a more effective clearing procedure.

RECOMMENDATIONS

We recommend that the Chief Financial Officer and Assistant Secretary for Administration:

- 1. Establish policies and procedures that clearly spell out the bureau managers' and supervisors' roles in monitoring and controlling Diners Club usage.
- 2. Establish policies and procedures for the Office of Federal Assistance and Management Support that clearly delineate its responsibility to monitor the bureaus' oversight of Diners Club charge card activities.
- 3. Instruct bureau Diners Club coordinators to keep copies of signed Employee Acknowledgement Statements.
- 4. Implement, throughout the Department, the Citicorp Diners Club pilot program to facilitate departmental efforts aimed at identifying and eliminating personal use of the cards.
- 5. Establish specific Commerce guidelines for taking disciplinary action against employees who misuse their Diners Club privileges.
- 6. Monitor the bureaus' compliance with the departmental guidelines in disciplining employees who violate Diners Club charge card rules.
- 7. Oversee the bureaus' compliance with the requirement to provide the Financial Services Division or the appropriate travel/financial servicing office with advance notification of pending employee separations so that, when necessary, outstanding travel advances can be deducted from employees' final payroll checks.



COMMERCE TRAVEL POLICIES, PROCEDURES, AND PRACTICES FOR MONITORING OUTSTANDING TRAVEL ADVANCES

The Department of Commerce has in place policies and procedures for minimizing the amount of excessive (overdue) travel advances held by its employees.

The Department, in order to avoid unjustified balances, has implemented procedures for analyzing and reviewing travel activity. Essentially, travel advance balances are considered excessive or overdue if retained for two months or more and in excess of a 45-day computed need.

For any Commerce employee whose outstanding travel advance falls into the excessive category, a "Travel Advance Repayment Notice" is produced. The notice is sent to the traveler's home address. The employee's supervisor is also notified through a special travel management report.

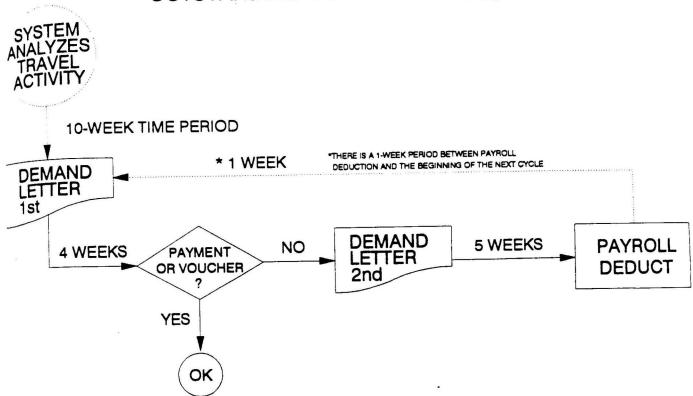
The excessive balance must be eliminated in one of two ways:

- by direct remittance of the excessive balance (made payable to the Department of Commerce) to the appropriate office along with a copy of the repayment notice; or
- by submission of Form CD-370, Travel Voucher, to apply against the outstanding advance balance.

Thirty days after issuance of the repayment notice, the Commerce travel system analyzes travel records of applicable employees to determine whether they now have completed enough travel to justify the advance or have repaid any excessive advance balances. Upon completion of this analysis, the appropriate Commerce travel office sends a final "notice of intent to begin administrative offset of payments" to each of these employees at the home address, and reports to the supervisors any employees who have not satisfactorily liquidated their excessive advance balances. As graphically shown in the Demand Cycle (see next page), if an employee takes no action in the specified time period following this notification, deductions will be made from the salary checks.



DOC DEMAND CYCLE FOR MONITORING OUTSTANDING TRAVEL ADVANCES



Department of Commerce
Diners Club Charge Card Write-Offs

(From 1/85 To 4/7/92)

YEAR I	BUREAU		<u>AMOUNT</u>	COUNT
1985	EDA		1 726 63	
1703	O/S		1,725.52 4,552.69	1 2
	MBDA		60.02	1
	NOAA		6,463.93	5
		TOTAL	\$12,802.16	9
1986	CENSUS		3,041.35	4
	EDA		0.00	1
	O/S		2,059.52	1
	ITA		1,491.49	4
	MBDA		926.13	3
	NOAA		6,716.66	6
		TOTAL	\$14,235.15	19
1987	CENSUS		1,005.80	4
	EDA		260.00	1
	O/S		326.82	2
	ITA		0.00	2
	MBDA		3,893.44	5
	NOAA	TOTAL	4,317.55	- 6
		TOTAL	\$9,803.61	20
1988	CENSUS EDA		11,431.61	10
	O/S		500.00	1 2
	ITA		4,140.45	3
	MBDA		194.70	
	NIST		136.39	1
	NOAA		427.73 1,531.95	1 7
	NTIS		35.42	1
	HIB	TOTAL	\$18,396.25	26
		IOIAL	\$16,3 76 .23	20
1989	CENSUS		37,164.72	30
	0/8		271.58	1
	ITA		203.14	4
	MBDA		6,433.54	1
	NIST		1,457.09	1
	NOAA		8,195.06	6
	NTIA		2,665.26	1
		TOTAL	\$56,390.3 9	44
1990	CENSUS		54,589.73	42
	EDA		0.00	1
	ITA		0.00	1
	MBDA		0.00	1
	NIST		0.00	1
	NOAA		10.071.41	8
		TOTAL	\$64,661.14	54
1991	CENSUS		51,834.04	63
	ITA		0.47	1
	NIST		45.85	1
	NOAA		6,285.21	12
		TOTAL	\$58,165.57	77
1992	CENSUS		15,178.64	12
		TOTAL	15,178.64	12
GRAND TOTALS			\$249,634.91	261
e: Citicorp Diners Club				N/



The Secretary of Energy
Washington, DC 20585
REC

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August 11, 1992 92 AUG | | PM 4: 17

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

To SS DBF AR

The Honorable John D. Dingell Chairman, Subcommittee on Oversight and Investigations Committee on Energy and Commerce U.S. House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of June 26, 1992, regarding agency investigation reports on overdue employee travel advances and delinquent Diners Club travel charge card accounts.

The Department of Energy (DOE) report shows that delinquency write-offs for Headquarters total \$17,735 for a period of approximately 5 years. We are taking additional steps to ensure that potential delinquencies will be further curtailed including notification of Heads of Headquarters Elements when employees in their organizations have delinquent accounts and having supervisors monitor employee repayment efforts. In this regard, we have no accounts designated as "VIP" accounts with Diners Club, and all employees are expected to pay their Diners Club bills on time.

Regarding travel advances, notification to DOE Headquarters travelers is scheduled to be issued in August informing them of changes to our current practices relative to recoupment of advances. These changes will accelerate the recovery of delinquent advances through voluntary payments or payroll deductions by approximately 15 days. Also, on July 21, 1992, we informed the Chief Financial Officers of our field elements that we will require a certification by them that they have met both the Internal Revenue Service and Departmental requirements for travel advance accountability and timeliness of repayment. Their responses are due August 14, 1992.

The Office of Management and Budget and the General Services Administration have been contacted by our Acting Chief Financial Officer, and we will work with them to improve the effectiveness and standardization of the programs that you cite in your report.

Sincerely.

Admiral, U.S. Navy (Retired)





CONTROL	NIIMBED .	92122918143
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DARMAN, RICHARD, Dir-OMB

PRIMAR	Y FILE:	DELEGATION	OF	AUTHORITY	
24 De	ecember	1992			







CONTROL NUMBER: 92011700832

MARTINEZ, BOB, Dir. ONDCP

PRIMARY FILE:	DRUGS/Testing		
	15	Jan	92





CONTROL	NUME	BER:	92033105149	
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PRIMARY	FILE:	AWARDS/DOJ
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DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

MARTINEZ, BOB, DIRECTOR, ONDCP

To: ODD: NONE AG.

Date Received: 04-20-92 Date Due: NONE Control #: X92042106150

Subject & Date

04-16-92 MEMO PROVIDING EARLY GUIDANCE ON THE FISCAL YEAR 1994 DRUG BUDGET. ADVISES THAT THE 1992 NATIONAL DRUG CONTROL STRATEGY ARTICULATES THE PRESIDENT'S FUNDING PRIORITIES FOR FISCAL YEARS 1993 THROUGH 1995, MANY OF WHICH RELATE TO DRUG CONTROL PROGRAMS IN DOJ. EACH PRIORITY IS IMPORTANT IN ACCOMPLISHING THE OBJECTIVES LAID OUT IN THE PRESIDENT'S STRATEGY, AND TRUSTS THAT THE AG WILL BE MINDFUL OF THEM AS HE DEVELOPS DOJ'S 1994 SUBMISSION.

	Referred To:	Date:		Referred	To:	Date:	
(1)	DAG; HAGEROTT	04-21-92	(5)				W/IN:
(2)			(6)				
(3)			(7)				PRTY:
(4)			(8)				1
	INTERIM BY:			DATE:			OPR:
	Sig. For: 0	AG		Date Rele	eased:		MAU

Remarks

CC INDICATED FOR DEA, FBI, DAG (OCDETF), EOA, TAX, NCB, BOP, USM, INS, OJP, CRM.

INFO CC: OAG, DAG, JMD (FLICKINGER, CURTIS).

(1) FOR APPROPRIATE HANDLING.

Other Remarks: J920421 1519

OLA CONTACT: MWC 4/21/92

FILE: OFFICE OF NATIONAL DRUG CONTROL POLICY

CROSS REFERENCES:

BUDGET/Federal

DRUGS/National Drug Control Strategy

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY ******************************





OFFICE OF NATIONAL DRUG CONTROL POLICY EXECUTIVE OFFICE OF THE PRESIDENT Washington, D.C. 20500

APR 1 6 1992

The Honorable William P. Barr Attorney General of the United States U.S. Department of Justice 10th and Constitution Avenue, N.W. Washington, D.C. 20530

'92 MM: 20 P4:31

Dear Attorney General Barr:

I am writing to provide you early guidance on the fiscal year 1994 drug budget pursuant to my responsibilities under Section 1502 of Title 21 U.S.C. to develop a consolidated National Drug Control Budget for the President and the Congress.

As you know, the 1992 National Drug Control Strategy articulates the President's funding priorities for fiscal years 1993 through 1995 (see pages 142 and 143). Many of these priorities relate to the drug control programs in your Department. Each is important in accomplishing the objectives laid out in the President's Strategy, and I trust that you will be mindful of them as you develop your 1994 submission. (Specific instructions regarding the drug budget submission have already been provided to your staff.)

The FY 1994 drug funding priorities are to:

- o Focus Federal efforts on large-scale trafficking organizations.
 - -- Emphasize efforts to attack money laundering.
 - -- Emphasize asset seizure and forfeiture efforts.
 - -- Strengthen Federal efforts in the High Intensity Drug Trafficking Areas.
 - -- Reduce the availability of chemicals necessary for drug production.
- o Improve strategic and operational intelligence capabilities and products and continue to automate information systems.
- o Maintain effective programs in primary producer and transit countries.
- o Emphasize multiagency and combined Federal, State, and local efforts.
- o Emphasize the development and application of new research and technologies for supply and demand reduction activities.



- o Focus increased efforts on prevention programs that target hard-to-reach populations, with emphasis on community-wide efforts.
- O Continue to increase the availability and effectiveness of drug treatment services.
 - -- Address the treatment needs of hard-to-reach groups, such as those in the criminal justice system, adolescents, pregnant women, and those at risk of HIV infection.
- o Focus on the secondary stages of effective drug treatment, including such efforts as vocational counseling and job training, and other efforts to "habilitate" recovering drug addicts.
- o Improve and expand information and data collection programs.
- o Emphasize treatment and prevention evaluations and information dissemination.

Obviously, there are many initiatives that could support these broad funding priorities. As I review and certify your budget submissions this summer and fall, I will be guided by the degree to which your budget proposals further these priorities.

Additional classified guidance relevant to your Department is contained in the classified 1991 International Drug Control Strategy and in the Intelligence Community Counternarcotics Strategy.

In addition to these overall priorities, I would like to mention other ONDCP budget or policy recommendations that are specifically related to your Department.

- o Work with the Department of Defense to ensure that adequate resources, including manpower, are available for permanent operation of the National Drug Intelligence Center. DOJ should also develop an integrated drug intelligence plan, and associated financial plan/budget, for the center.
- o Ensure adequate funding to implement the Deputy Attorney General's guidance concerning DEA/FBI Joint Drug Intelligence Squads/Groups in the OCDETF cities.
- o Ensure continued funding of programs begun with DOD law enforcement assistant funds ("Section 1004") or DCI counternarcotics initiative funds (such as ADNET, ISLES, and Emerald).



- o Review agency budgets to ensure that any enhancements requested for telecommunications are consistent with the National Telecommunications Master Plan for Drug Enforcement.
- o Ensure that adequate resources are available to carry out DOJ portions of improvements/enhancements to EPIC called for by the EPIC Advisory Board.
- o Ensure that adequate resources are available for automating DEA field reporting and agency file archives.
- o Single agency programs currently funded by ONDCP's High Intensity Drug Trafficking Areas (HIDTA) program should be requested as part of the appropriate agency's budget. During the HIDTA funding process, multi-agency initiatives will be given priority for ONDCP funding.
- O Continue to provide adequate drug treatment resources for institutional and post-institutional Federal prisoners.

Thank you for your attention to these matters. I look forward to working with you on the FY 1994 Drug Control Budget in the coming months.

Sincerely,

BOB MARTINE

cc: The Honorable Robert C. Bonner, DEA

The Honorable William S. Sessions, FBI

The Honorable George J. Terwilliger, III, OCDETF

The Honorable Laurence S. McWhorter, U.S. Attorneys

Mr. James A. Bruton, Tax Division

Mr. Darrell W. Mills, INTEROL

Mr. J. Michael Quinlan, BOP

The Honorable Kevin Michael Moore, U.S.Marshals Service

The Honorable Gene McNary, INS

The Honorable Jimmy Gurule, OJP

The Honorable Robert S. Muller, III, Criminal Division



PRTY:

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: PHELPS, RICHARD "DIGGER," SPEC. ASST. TO THE DIR., ONDCP

To: AG. ODD: NONE

Date Received: 09-01-92 Date Due: NONE Control #: X92090112982

Subject & Date

O8-31-92 MEMO (FAX REC'D FROM OAG) ADVISING THAT THE OFFICE OF NATIONAL SERVICE HAS DRAFTED AN EXECUTIVE ORDER TO ENCOURAGE FEDERAL EMPLOYEES' PARTICIPATION IN COMMUNITY SERVICE ACTIVITIES AND INCLUDES THE DESIGNATION OF A SENIOR OFFICIAL WHO WILL BE RESPONSIBLE FOR ESTABLISHING AND DEVELOPING "ADULT VOLUNTEER AND YOUTH SERVICE" PROGRAMS IN EACH AGENCY. REQUESTS THAT THE AG DESIGNATE DOJ'S SENIOR OFFICIAL AND PLAN TO HAVE THAT PERSON ATTEND A MEETING WITH*

Referred To: Date: Referred To: Date: (1) JMD; FLICKINGER 09-01-92 (5) W/IN:

(2) OPC; MCNULTY 09-08-92 (6)

(3)(4)(8)

(8) 1
INTERIM BY: DATE: OPR:
Sig. For: OPC Date Released: EHZ

Remarks

* WALTER KNAUSS, OF THE DC BOARD OF EDUCATION, ON WEDNESDAY, SEPTEMBER 9, 1992, AT 10:00 A.M. IN THE OLD EXECUTIVE OFFICE BUILDING.

INFO CC: OAG, DAG, ASG.

- (1) FOR APPROPRIATE HANDLING.
- (2) PER JMD, REASSIGNED TO OPC/OLS. JMD/VAIL PROVIDED COPY

Other Remarks:

TO OPC/OLS. FOR APPROPRIATE HANDLING. (EHZ)

OLA CONTACT:

9/1/92 KMM FYI

FILE: OFFICE OF NATIONAL DRUG CONTROL POLICY

J920901 3507





OFFICE OF NATIONAL DRUG CONTROL POLICY EXECUTIVE OFFICE OF THE PRESIDENT Washington, D.C. 20500

MEMORANDUM

'92 NEP -1 NO:13

ENELGINE

TO:

The Honorable William Barr

U.S. Attorney General

U.S. Department of Justice

FROM:

Richard "Digger" Phelps KFT

Special Assistant to the Director

DATE:

August 31, 1992

SUBJECT:

Proposed Executive Order Encouraging Federal Employees'

Participation in Community Service Activities.

The Office of National Service has drafted an executive order which is expected to foster the ethic of voluntary community service among employees of the executive branch which includes Federal Departments and agencies. Among the provisions of the executive order is a section which implements section 182 of the National and Community Service Act of 1990 as amended (Public Law 101-610). This act directs the heads of Federal departments and agencies "to design and implement a comprehensive strategy to involve employees of such agencies and departments in partnership programs with elementary and secondary schools." This act further states that the strategy shall include the designation of a senior official who will be responsible for establishing and developing "adult volunteer and youth service" programs in each department and agency.

The intent of this section of the law is to create and support Federal employee awareness and participation in voluntary community service activities. Therefore, the designated senior official should be of the stature and organizational placement that can most effectively accomplish this mission. In some agencies, the appropriate official is the Assistant Secretary for Administration, Public Affairs or Personnel. In others, the department or agency has established or will establish an office whose principle mission is to support the Federal commitment to community service. In these cases, the appropriate designated official is the Director of that office.



FOIA # 60048 (URTS 16452) DocId: 70106648 Page 9

Memorandum August 31, 1992 Page 2

The President has supported efforts to encourage the expansion of community service activities throughout the country. executive order would focus this effort inwardly toward government employees.

My office has worked with Walter Knauss of the District of Columbia Board of Education to coordinate a new program to utilize volunteers and mentors from the federal agencies affected by this act. We have also worked with a representative from your agency in an inter-agency taskforce to help implement this program. To ensure that community service works, it is imperative that encouragement and support of this program comes from the top of each agency and filters down to the first line supervisors.

Please designate your senior official and plan to have that person attend a meeting with Mr. Walter Knauss on Wednesday, September 9, 1992 at 10:00 am in the Old Executive Office Building. Mr. Steve Glaude will be the point of contact in my office to handle this initiative. Your senior official should contact him at (202) 467-9820 for more details and the specific room number. Thank you for your cooperation.





OFFICE OF NATIONAL DRUG CONTROL POLICY EXECUTIVE OFFICE OF THE PRESIDENT Washington, D.C. 20500



FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES, INCLUDING COVER:
TO: Attorney Leveral William Bars
FAX NUMBER: 514-4699
OFFICE NUMBER:
COMMENTS:
FROM: Digger Pholps / Steve Davide
FAX NUMBER: 467- 9869- (202)
OFFICE NUMBER: 202-467-9825 AN FOIA # 60048 (URTS 16452) Docid: 70106648 Page 11
NAPA-18-1003-4003-107



CONTROL NUMBER: 92112717036

MARTINEZ, BOB, Director-ONDCP

THE ENTIRE DOCUMENT PACKET FOR THE CONTROLLED CORRESPONDENCE INDICATED BY THE ABOVE EX.SEC. CONTROL NUMBER HAS BEEN FILED IN THE FOLLOWING PRIMARY FILE LOCATION WITHIN THE SUBJECT FILES OF THE ATTORNEY GENERAL.

PRIMARY FILE: SEIZURES & ASSET FORFEITURES

25 November 1992







CONTROL	NUME	BER:)1070018	39		
	NEWMAN	CONSTANCE	BERRY.	DIR.	OPM	

PRIMARY F	LE:	AWARDS-NON-DOJ			
8		2 Jan 92			





CONTROL	NUMBER	ER: 92010	700197			
	NEWMAN	CONSTANCE	REPRY	אדת	ΩPM	

PRIMARY	FILE:	PERSONNEL/PAY			&	COMPENSATION		
		6	Jan	92				



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM

To: AG. ODD: NONE

Date Received: 01-09-92 Date Due: NONE Control #: X92010900354

Subject & Date

01-07-92 LETTER TRANSMITTING THE SEVENTH EDITION OF OPM'S PERSONNEL MANAGEMENT INDICATORS REPORT (PMIR) WHICH COVERS THE PERIOD FROM 1984 THROUGH 1990 AND IS INTENDED TO ASSIST THE AG IN ASSESSING DOJ'S PERSONNEL MANAGEMENT PERFORMANCE.

Referred To: Date: Referred To: Date: JMD; FLICKINGER 01-09-92 (5)W/IN: (1)(6)(2)(3)(7)PRTY: (4) (8)OPR: DATE: INTERIM BY: MAU Sig. For: **JMD** Date Released: Remarks

INFO CC: OAG, DAG.

(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: KMM 01-09-92

FALE: OFFICE OF PERSONNEL MANAGEMENT

√1920109 95

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

IAN 7 1992



92 JAN -9 A11:12

EXECUTIVE SECRETARIAL

Honorable William P. Barr Attorney General U. S. Department of Justice Washington, DC 20530

Dear Mr. Barr:

This letter transmits the seventh edition of OPM's Personnel Management Indicators Report (PMIR). The report covers the period from 1984 through 1990 and is intended to assist you in assessing your agency's personnel management performance. Information is also included which will permit you to review your performance in comparison to Governmentwide indicators.

The PMIR has become an integral part of the continuing dialogue between agencies and OPM on the ways in which we can work together to improve personnel management effectiveness, efficiency, and compliance with legal and regulatory requirements. After the 1989 PMIR was issued last February, our Office of Agency Compliance and Evaluation entered into a round of discussions with the representatives of Departmental Assistant Secretaries for Administration and their counterparts at major agencies. These meetings provided a valuable opportunity for us to discuss a wide range of personnel management issues of mutual concern which were highlighted in that report. We are planning a similar round of discussions on this report.

I would like to thank you and your staff for the fine cooperation we have received in the past in making constructive use of the PMIR. We look forward to continuing this work with you in the future.

Sincerely,

Constance Berry Newman

Director

Enclosures



PERSONNEL MANAGEMENT INDICATORS REPORT

Explanation of Spreadsheet and Glossary of Terms

The accompanying spreadsheet titled PERSONNEL MANAGEMENT INDICATORS REPORT contains data for your agency from the 1984 up to and including the 1990 model of the PMIR. For each of the seven years, the spreadsheet shows the agency value for each item. Each agency value consists of two parts - the "raw" value and the standard score. The raw value is the hard data, such as actual dollars spent, days of sick leave used, etc. The standard score is used to rate and rank various items that do not have common measures. The standard score is calculated by dividing the difference between each individual agency's raw value for a given item and the average of agencies' raw values for that item by the standard deviation of those values as shown below:

Individual Agency's Raw Average of Agencies' Raw Standard Deviation (STD)	Values (MEAN)		= = =	8.43 2.87 2.25	
Standard Score =	X - Mean STD	=	8.43 - 2.87 2.25	=	2.47

The 1990 model also shows the highest and lowest standard score for each item. For each indicator in the accompanying spreadsheet, the codes (L), (H), and (M) specify the desired value (Low, High, or Middle) for the indicator as identified in the glossary below.

The last five (1986-1990) PMIR models contain five indicators not included in the 1984 and 1985 models (items 20, 21, 22, 23, and 45). One indicator found originally in the 1984 model (Number of Presumptive Performance Ratings - GM) was dropped from subsequent models because this category of performance rating has all but disappeared from data submissions by agencies. One item in the 1984 and 1985 models (Conversion to Career Conditional Appointments) was dropped from subsequent models when it was decided the data could not be used to distinguish between proper and improper use of conversions.

In the 1987 model, indicator 29 - Timeliness of Retirement Cases - was changed from a 60 day to a 30 day standard in order to conform to Retirement and Insurance Group policy on the delinquency of cases. In the 1988 model the 30 day standard was kept; however the indicator was changed to reflect all types of benefit claim submissions from agencies instead of focusing solely on retirement claims.

In the 1989 model, indicator 33 - Mean Distribution of GS Performance Ratings - was changed to reflect ratings given to GS employees only. Previous models included ratings for all employees other than those in the SES or GM pay plans.

In the 1990 model, indicator 46 - Annual Leave Forfeited -was added to the report to show the average number of hours of annual leave given up by employees in a particular agency during the last available leave year.

Glossary of Terms in the PERSONNEL MANAGEMENT INDICATORS REPORT

1. STANDARD AVERAGE GRADE I AV/STD INDEX

This indicator measures the difference between an agency's average grade and what its average grade would be if each of its occupations (series) were graded at the occupation's average for all agencies in the model. This factor puts agencies with very different average grades on a common footing. The information displayed is an index produced by dividing an agency's average grade by its standard average grade. A <u>low</u> value is desired for this index since it reflects better performance on the part of an agency than the overall performance of all agencies in the model. The standard score for the item is listed directly below the index. Employee coverage is limited to FTP, GS and Similar (GG,GM,GH,GW) as of March 1991 (1989 Model: March 1990, 1988 Model: March 1989, 1987 Model: March 1988, 1986 Model: September 1987, 1985 Model: March 1985, 1984 Model: March 1984). Additional information on the calculation of this value (and indicators 3 through 8) may be found in the attached four page summary of "Bulge" information.

NARA-18-1003-A-003114

PERSONNEL MANAGEMENT INDICATORS REPORT

2. STANDARD AVERAGE GRADE II AV/STD INDEX FOR 16 COMMON OCCUPATIONS

This indicator is limited to data from the following 16 occupations which were identified as being common overhead occupations in most agencies:

1. Series 201	-	Personnel Management Specialist
2. Series 203	-	Personnel Clerk
3. Series 301	-	Miscellaneous Administration
4. Series 303	-	Miscellaneous Clerk and Assistant
5. Series 318	•	Secretary
6. Series 322	-	Clerk-Typist
7. Series 334	-	Computer Specialist
8. Series 343	-	Management Analyst
9. Series 345	-	Program Analyst
10. Series 510	-	Accountant
11. Series 525	-	Accounting Technician
12. Series 560	-	Budget Analyst
13. Series 905		Attorney
14. Series 1102	-	Contract Specialist
15. Series 2001	-	Supply Program Management
16. Series 2005	-	Supply Clerk and Technician

In all other respects the calculation and display of the information is identical to Indicator #1. The data is from a September 1990 file.

3. INDEX OF THE GS/GM 11-15 / GS 1-10 Ratio

This indicator is the indexed ratio of high grade to low grade positions. It is the most direct measure of high grade bulge in a given agency because it shows the proportion of GS 1-15 positions which are in the GS/GM 11-15 band. The index is calculated by dividing the agency ratio of GS/GM 11-15 to 1-10 positions by a similar ratio for all agencies in the model. A <u>low</u> value is desired for this index. In the 1984 model, only the standard score for the item is listed on the agency spreadsheet. The 1985 through 1990 models display the percent of the workforce in the high grade band, the ratio of high grade to low grade positions, the index of that ratio, and the standard score. Employee coverage is limited to FTP, GS and Similar (GG,GM,GH,GW) as of March 1991 (1989 Model: March 1988, 1988 Model: March 1989, 1987 Model: March 1988, 1986 Model: September 1987, 1985 Model: March 1985, 1984 Model: March 1984).

4. GS/GM AVERAGE GRADE INDEX

Average Grade, which has been used for years by OPM to gauge an agency's position management situation, is a simple arithmetic average of the GS and GM grade levels (1-15) of all FTP employees in an agency. To form the index used in this indicator, an agency's average grade is divided by the average grade for all agencies in the model. A low value is desired for this index. The data is derived from a March 1991 file (1989 Model: March 1990,1988 Model: March 1989, 1987 Model: March 1988, 1986 Model: September 1987, 1985 Model: March 1985, 1984 Model: March 1984). In the 1984 model, only the standard score is listed on the agency spreadsheet. In the 1985 through 1990 models, the average grade and index are also displayed.



2

5. GS/GM 11-15 AVERAGE GRADE BAND

Similar to 4 above, but covering only the 11-15 grade band.

6. GS/GM 11-15 Supervisors/Managers AS A RATIO TO ALL GS/GM 11-15 EMPLOYEES

This indicator measures the extent to which an agency's FTP, GS/GM 11-15 workforce is engaged primarily in supervisory and/or managerial functions as opposed to non-supervisory professional, technical, or administrative work. To form the index used in this indicator, the ratio of supervisors/managers to all employees in the 11-15 band is calculated and then divided by a similar ratio calculated for all agencies. A low value is desired for this index. The data is derived from a March 1991 file (1989 Model: March 1990, 1988 Model: March 1989, 1987 Model: March 1988, 1986 Model: March 1987, 1985 Model: September 1985, 1984 Model: March 1984). In the 1984 model, only the standard score is listed on the agency spreadsheet. In the 1985 through 1990 models, the ratio and index are also displayed.

7. GS/GM 11-15 SUPERVISORS/MANAGERS AS A RATIO TO ALL OTHER EMPLOYEES

This indicator, which is related to the one above, shows the ratio of GS/GM 11-15 supervisory/managerial employees to all other employees. The "other" employees include all employees in the agency, not only GS and Similar, FTP employees. To form the index used in this indicator, the ratio of supervisors/managers to all other employees in the agency is calculated and then divided by a similar ratio calculated for all agencies. A low value is desired for this index. The data is derived from a March 1991 file (1989 Model: March 1990, 1988 Model: March 1989, 1987 Model: March 1988, 1986 Model: March 1987, 1985 Model: September 1985, 1984 Model: March 1984). In the 1984 model, only the standard score is listed on the agency spreadsheet. In the 1985 through 1990 models, the ratio and index are also displayed.

8. CHANGE IN GS/GM 11-15 BAND

This indicator measures the change in the number of GS/GM 11-15 positions from 1981 to March 1991 (from March 1981 to March 1990 in the 1989 model, from 1981 to March 1989 in the 1988 model, from 1981 to March 1988 in the 1987 model, from 1981 to March 1987 in the 1986 model, from 1981 to September 1985 in the 1985 model, and from 1981 to March 1984 in the 1984 model). Unlike the other "Bulge" indicators, this is not expressed as an index but as a simple percentage of change. The number of GS/GM employees in the agency in 1981 is subtracted from the March 1990 total and divided by the 1981 total to form this percentage. A low value is desired for the percentage of change to demonstrate control of "bulge" growth. In the 1984 model, only the standard score is listed on the agency spreadsheet. In the 1985 through 1990 models, the percentage of change and the index are also displayed.

9. OVERTIME

This indicator measures the number of overtime hours used by the agency during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 85, 1984 Model: FY 83). The total number of overtime hours is divided by the total number of basic work years reported by the agency on the OWI report "Work Years-Total Agency-800" to derive the per capita use of overtime in the agency. The standard score is listed directly below the per employee use of overtime. All employees are used in these calculations. The desired value for this indicator is a <u>low</u> use of overtime.



10. PERSONNEL RATIO -- WORKFORCE TO PERSONNEL STAFF

This indicator displays the agency's ratio of personnelists (series: 201,212,221,230,233,235) and personnel clerks (series: 203) to the total agency population. Data is derived from CPDF and is restricted to FTP, GS and Similar personnel professionals and clerks. The data value shown represents the number of employees serviced in a given agency by each personnelist or personnel clerk in September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1985, 1985 Model: September 1983). The standard score is listed directly below the number of employees serviced. The desired value for this indicator is a high number of employees serviced.

11. COST OF PERSONNEL SERVICES - STAFF SALARY SPENT PER EMPLOYEE

This indicator measures the cost of personnel servicing for each agency employee. The dollar cost is derived by calculating the aggregate salary of all FTP, GS and Similar personnel professionals and personnel clerks in an agency and then dividing that sum by the total serviced population. Data is derived from the September 1990 CPDF file (1989 Model: September 1989, 1988 Model; September 1988, 1987 Model: September 1987, 1986 Model: September 1986, 1985 Model: September 1985, 1984 Model: March 1984). The standard score is listed directly below the average servicing cost per employee. The desired value for this indicator is a <u>low</u> servicing cost.

12. AVERAGE GRADE OF OUTSIDE HIRES IN 16 COMMON OCCUPATIONS.

This indicator displays the average grade for all FTP, GS and Similar new hires in the same sixteen occupations as those listed in indicator # 2 above. New hires are defined by NOA codes 100, 101, 130, 140, 141, and 170. Data displayed is for Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: FY 83). The desired value for this indicator is a <u>low</u> average grade. The standard score is listed directly below the average grade.

13. TURNOVER (TRANSFERS, RETIREMENTS AND QUITS)

This indicator (expressed as a percentage) is derived by summing the number of employees who in Fiscal Year 1990 (1989 Model: FY89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: FY 83) transferred out of an agency, the number who quit, and the number who retired and then dividing this total by the average employment in the agency during the fiscal year. The controls on the data being used are FTP, GS and Similar, and the Transfer Out category excludes mass transfers. The second row of data is the absolute value of the agency value less the mean which is used to calculate the third row of data -- the standard score. It is necessary to calculate the second row of data (i.e., the absolute distance from the mean) since the desired value for this indicator is one that approaches the mean as closely as possible -- the middle score as opposed to a high or low value.

14. TURNOVER (TRANSFERS, RETIREMENTS AND QUITS) IN AN AGENCY'S FIVE LARGEST PROFESSIONAL OCCUPATIONS

Similar to 13 above except that the data is restricted to the largest five professional occupations in each agency being rated. See the attachment at the end of this glossary for the specific occupational series used.

[NOTE: As of March 1990, the 1102 series was considered a Professional series. Prior to March 1990, it was considered an Administrative series.]



15. TURNOVER (TRANSFERS, RETIREMENTS AND QUITS) IN AN AGENCY'S FIVE LARGEST ADMINISTRATIVE OCCUPATIONS

Similar to 13 above except that the data is restricted to the largest five administrative occupations in each agency being rated. See the attachment at the end of this glossary for the specific occupational series used.

16. SPECIAL EMPHASIS PROGRAMS - % IN WORKFORCE - BLACKS

This indicator displays the relative proportion of black employees as a percentage of an agency's total workforce as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986, 1985 Model: September 1985, 1984 Model: March 1984). The standard score is listed directly below the percentage of black employees and the desired value for this indicator is a <u>high</u> percentage.

[NOTE: Items 16 through 23 each receive one half weight in the 1986 through 1990 models. This is done to balance the workforce percentages in 16-19 with the high grade percentages in 20-23 without giving Special Emphasis Program indicators undue weight in the overall model.]

17. SPECIAL EMPHASIS PROGRAMS - % IN WORKFORCE - HISPANICS

This indicator displays the relative proportion of Hispanic employees as a percentage of an agency's total work-force as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1985, 1984 Model: March 1984). The standard score is listed directly below the percentage of Hispanic employees and the desired value for this indicator is a high percentage.

18. SPECIAL EMPHASIS PROGRAMS - % IN WORKFORCE - WOMEN

This indicator displays the relative proportion of female employees as a percentage of an agency's total workforce as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1985, 1985 Model: September 1985, 1984 Model: March 1984). The standard score is listed directly below the percentage of female employees and the desired value for this indicator is a <u>high</u> percentage.

19. SPECIAL EMPHASIS PROGRAMS - % IN WORKFORCE - HANDICAPPED EMPLOYEES

This indicator displays the relative proportion of handicapped employees as a percentage of an agency's total workforce as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986, 1985 Model: September 1985, 1984 Model: March 1984). The standard score is listed directly below the percentage of handicapped employees and the desired value for this indicator is a high percentage.



5

20. SPECIAL EMPHASIS PROGRAMS - HIGH GRADES - BLACKS

This indicator displays the percentage of an agency's black employees who encumber positions in GS (and similar) grades 11-15, as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986). The standard score is listed directly below the percentage figure and the desired value for this indicator is a high percentage. Only GS and similar, full-time, permanent employees are used in the calculation of this indicator.

21. SPECIAL EMPHASIS PROGRAMS - HIGH GRADES - HISPANICS

This indicator displays the percentage of an agency's Hispanic employees who encumber positions in GS (and similar) grades 11-15, as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986). The standard score is listed directly below the percentage figure and the desired value for this indicator is a high percentage. Only GS and similar, full-time, permanent employees are used in the calculation of this indicator.

22. SPECIAL EMPHASIS PROGRAMS - HIGH GRADES - WOMEN

This indicator displays the percentage of an agency's women employees who encumber positions in GS (and similar) grades 11-15, as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986). The standard score is listed directly below the percentage figure and the desired value for this indicator is a high percentage. Only GS and similar, full-time, permanent employees are used in the calculation of this indicator.

23. SPECIAL EMPHASIS PROGRAMS - HIGH GRADES - HANDICAPPED EMPLOYEES

This indicator displays the percentage of an agency's handicapped employees who encumber positions in GS (and similar) grades 11-15, as of September 1990 (1989 Model: September 1989, 1988 Model: September 1988, 1987 Model: September 1987, 1986 Model: September 1986). The standard score is listed directly below the percentage figure and the desired value for this indicator is a high percentage. Only GS and similar, full-time, permanent employees are used in the calculation of this indicator.

24. SEPARATION OF PROBATIONERS AS A PERCENTAGE OF PROBATIONERS

This indicator (expressed as a percentage) is derived by dividing the number of probationers separated (NOA = 385) during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86) by the number of career-conditional appointments (NOA = 101 and 501) in a particular agency during the same year. The controls on the data used are FTP, GS and Similar. The second row of data is the absolute value of the agency value less the mean which is used to calculate the third row of data -- the standard score. The desired value for this indicator is one that approaches the mean as closely as possible -- a middle score as opposed to a high or low value. (FY 84 figures are used in the 1985 model, FY 83 figures are used in the 1984 model.)



25. DISABLED VETERAN APPOINTMENTS

This indicator (expressed as the number of appointments per 1000 employees) is derived by dividing the number of disabled veteran appointments during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: FY 83) within an agency by the population of that agency (to the nearest thousand). The source for this data is the CPDF and the desired value for this indicator is a high number of appointments. The standard score is listed directly below the appointment rate for each agency.

26. APPOINTMENTS AND CONVERSIONS OF VETERAN READJUSTMENT AUTHORITY EMPLOYEES

This indicator (expressed as the number of appointments and conversions per 1000 employees) is derived by dividing the number of VRA appointments and conversions during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: FY 83) within an agency by the population of that agency (to the nearest thousand). The source for this data is the CPDF and the desired value for this indicator is a high number of appointments and conversions. The standard score is listed directly below the appointment/conversion rate for each agency.

27. APPOINTMENTS AND CONVERSIONS OF 30% OR MORE DISABLED VETERANS WHO RECEIVED TEMPORARY APPOINTMENTS INTO THE COMPETITIVE SERVICE

This indicator (expressed as the number of appointments and conversions per 1000 employees) is derived by dividing the number of 30% or More Disabled Veteran appointments and conversions during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: FY 83) within an agency by the population of that agency (to the nearest thousand). The source for this data is the CPDF and the desired value for this indicator is a high number of appointments and conversions. The standard score is listed directly below the appointment/conversion rate for each agency.

28. OWCP (WORKERS COMPENSATION) -- \$\$\$ PER CAPITA

This indicator (expressed in dollars per employee) describes the amount of non-fatal compensation each agency paid to employees during the period July 1989 to June 1990 (1989 Model: 7/88 to 6/89, 1988 Model: 7/87 to 6/88, 1987 Model: 7/86 to 6/87, 1986 Model: 7/85 to 6/86, 1985 Model: 7/84 to 6/85. 1984 Model: 7/83 to 6/84). This information is supplied by the Department of Labor, E.S.A., Office of Workers Compensation Programs. The standard score is listed directly below the per capita dollar value and the desired value for this indicator is a <u>low</u> dollar value.

29. TIMELINESS OF RETIREMENT BENEFIT CLAIMS SUBMITTED TO OPM (% MORE THAN 30 DAYS LATE)

This indicator describes the percentage of retirement benefit claims (retirement, refund, and death in service) received by OPM more than 30 days from the date of separation from employment. The percentage constitutes a weighted (for the number of claims received) average of the four months of claims receipts that OPM's Retirement and Insurance Group (RIG) uses to measure agency performance in the submission of retirement records. RIG sends a copy of these four "aging of separation" reports (March, June, September, and December) to agency Personnel Directors and Chief Financial Officials to provide current information about an agency's performance in this area. Indicators for years prior to 1988 did not cover the full range of benefit claims so they should not be used for comparative purposes. The standard score is listed directly below the percentage of late cases and the desired value for this indicator is a low percentage of late cases.



30. CPDF DATA QUALITY

This indicator (expressed as a composite score) is developed by the Office of Workforce Information in its efforts to monitor 11 aspects of data quality in recurring CPDF file updates supplied to OPM by individual agencies. The scores developed and used here monitored agency CPDF submissions during the quarter ending September 30, 1990 (1989 Model: July to September 1988, 1987 Model: July to September 1987, 1986 Model: April to June 1986, 1985 Model: July to September 1985). The results of such oversight of data quality are regularly reported to agencies by OWI. The desired value for this indicator is a high composite score.

31. MEAN DISTRIBUTION OF SES PERFORMANCE RATINGS

This indicator displays three distinct rows of data. The first describes the percentage of outstanding ratings given to SES employees during Fiscal Year 1990 (1989 Model:FY 89,1988 Model:FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 85, 1984 Model: Both FY 83 and FY 84 data) in the specific agency. The second row of data displays the mean rating for all SES employees in that agency during the same time period. The rating scale used computes an outstanding rating at 5.0 points, exceeds at 4.0, etc. The third row of data computes the standard score for the agency based on the mean rating value shown. This data is derived from automated files maintained by the Office of Executive and Management Policy. The desired value for this indicator is a <u>low</u> mean rating.

32. MEAN DISTRIBUTION OF GM PERFORMANCE RATINGS

This indicator displays three distinct rows of data. The first describes the percentage of outstanding ratings given to GM employees in Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 86, 1986 Model: FY 85, 1985 Model: FY 84, 1984 Model: FY 83) in a given agency. The second row of data displays the mean rating for all GM employees in the same agency for the same time periods. The rating scale used computes an outstanding rating at 5.0 points, exceeds at 4.0, etc. The third row of data computes the standard score for the agency based on the mean rating value shown. This data is derived from automated files maintained by the Personnel Systems and Oversight Group, Performance Management Division. Data for SBA and GSA in the 1985 model were derived from Installation Assessment Visits because automated files were incomplete. The desired value for this indicator is a low mean rating.

33. MEAN DISTRIBUTION OF GS PERFORMANCE RATINGS

This indicator displays three distinct rows of data. The first describes the percentage of outstanding ratings given to all GS employees in FY 90 in a given agency. The second row of data displays the mean rating for all GS employees in the same agency for the same time periods. The rating scale used computes an outstanding rating at 5.0 points, exceeds at 4.0, etc. The third row of data computes the standard score for the agency based on the mean rating value shown. For the 1989 and 1990 models, this data was derived from the CPDF file. For the 1985, 1986, 1987 and 1988 models, this data was gathered by OPM-ACE during installation visits and as such is a representative sample, not a full data file representation, of ratings given by the agencies surveyed to employees other than those in the SES or GM pay plans. For the 1984 model this data was supplied to OPM by the agencies in response to a specific request from ACE. Several agencies were unable to respond to the request. The desired value for this indicator is a low mean rating.



34. COST PER INSTANCE OF TRAINING

This indicator describes the average cost of a training instance in a given agency during FY 89 (1989 Model: FY 88, 1988 Model: FY 87, 1987 Model: FY 86, 1986 Model: FY 85, 1985 Model: FY 84). Data is supplied to OPM, Human Resources Development Group, by all agencies in response to an annual data call known as the "Annual Statistical Summary of Training Data" and is compiled in the report, "Employee Training in the Federal Service." The report combines direct and indirect training costs with salary costs and then divides that sum by the total instances of training during the fiscal year to calculate a dollar per instance cost. The desired value for this indicator is <u>low</u> cost per instance of training. The standard score is listed directly below the cost per instance of training.

35. SUPERVISORS/MANAGERS TRAINING RATIO (%)

This indicator (expressed as a percentage) describes the number of supervisors and managers who have received training (short-term) during FY 89 (1989 Model: FY 88, 1988 Model: FY 87, 1987 Model: FY 86, 1986 Model: FY 85, 1985 Model: FY 84) relative to the total population of all supervisors and managers in a given agency. The data is supplied to OPM, Human Resources Development Group, by all agencies in response to an annual data call known as the "Annual Statistical Summary of Training Data." The desired value for this indicator is a high percentage of supervisors and managers trained. The standard score is listed directly below the percentage of supervisors and managers trained.

36. NON-SUPERVISOR TRAINING RATIO (%)

This indicator is restricted to non-supervisory/non-managerial employees and in all other respects is derived, calculated and displayed as in indicator # 35.

37. SUGGESTIONS - RECEIPT RATE PER 100 EMPLOYEES

This indicator displays the receipt rate of suggestions per 100 employees during Fiscal Year 1990 (1989 Model:FY 89, 1988 Model:FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 85, 1984 Model: FY 83) in a given agency. The data is supplied to OPM (PSOG,Incentive Awards Division) by all agencies in response to an annual data call known as the "Incentive Awards Program Annual Report." The desired value for this indicator is a high number of suggestions. The standard score is displayed beneath the suggestion rate. The only control being used to screen data is the time period parameter.

38. PERFORMANCE AWARDS - RATE PER 100 EMPLOYEES

This indicator displays the award rate per 100 employees of sustained superior performance awards granted during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 85, 1984 Model: FY 83). These awards are granted to individual employees in recognition of overall performance that substantially exceeds job requirements and performance standards. The data is supplied to OPM (PSOG, Incentive Awards Division) by all agencies in response to an annual data call known as the "Incentive Awards Program Annual Report." The desired value for this indicator is one that approaches the mean as closely as possible -- the middle score as opposed to a high or low value. The first row of data displays the award rate per 100 employees, the second row is the absolute value of the agency rate less the mean, and the third row displays the standard score.



39. SPECIAL ACT OR SERVICE AWARDS - RATE PER 100 EMPLOYEES

This indicator is calculated, displayed and rated in the same fashion as the preceding indicator. The difference here is that the indicator is tracking Special Act or Service Awards which are granted to an individual or group of employees in recognition of a significant act, service, or achievement that is in the public interest and connected with official employment.

40. QUALITY STEP INCREASES - RATE PER 100 EMPLOYEES

This indicator is calculated, displayed and rated in the same fashion as the preceding two indicators. The difference here is that the indicator is tracking Quality Step Increases which are pay increases granted in addition to an employee's regular within-grade increase in recognition of high quality performance.

41. PART 432 ACTIONS (REMOVALS AND DOWNGRADES) - RATE PER THOUSAND EMPLOYEES

This indicator displays the number of Part 432 actions -- removals and downgrades -- taken by an agency during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: CY 83) on FTP, GS and Similar employees. The data is displayed as a rate of actions taken per 1000 employees, and the source of the data is the CPDF Transaction File. The standard score is listed directly below the rate of actions taken. The desired value for the indicator is a high rate of actions taken.

42. DENIALS OF WITHIN GRADE INCREASES - RATE PER THOUSAND EMPLOYEES

This indicator displays the number of Within Grade Increases that were denied to FTP, GS and Similar employees (excludes GM) during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: CY 83). The data is displayed as a rate of actions taken per 1000 employees, and the source of the data is the CPDF Transaction File. The standard score is listed directly below the rate of actions taken. The desired value for the indicator is a high rate of actions taken.

43. PART 752 ACTIONS - RATE PER THOUSAND EMPLOYEES

This indicator displays the number of Part 752 actions taken by an agency during Fiscal Year 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86, 1985 Model: FY 84, 1984 Model: CY 83) on FTP, GS and Similar employees. The data is displayed as a rate of actions taken per 1000 employees, and the source of the data is the CPDF Transaction File. The standard score is listed directly below the rate of actions taken. The desired value for the indicator is a high rate of actions taken.

44. SICK LEAVE - NUMBER OF DAYS PER EMPLOYEE

This indicator (expressed as hours of sick leave per employee) describes the amount of sick leave consumed by an agency's workforce during Leave Year 1990 (1989 Model: Leave Year 1989, 1988 Model: Leave Year 1988, 1987 Model: Leave Year 1987, 1986 Model: Leave Year 1985 Model: Leave Year 1985, 1984 Model: Leave Year 1982). The standard score is listed directly below the average number of sick leave hours used, and the desired value for the indicator is a low number of hours used.



45. EMPLOYEE ASSISTANCE - % OF WORKFORCE IN PROGRAM

This indicator describes the number of an agency's employees who during FY 1990 (1989 Model: FY 89, 1988 Model: FY 88, 1987 Model: FY 87, 1986 Model: FY 86) participated in the agency's Employee Assistance Program. The indicator includes both self- and management referrals to these programs. The data is from the OPM report to Congress, "Report on Title VI of Public Law 99-570: The Federal Employee Substance Abuse Education and Treatment Act of 1986." The data covers, besides substance abuse, referrals for such purposes as emotional, marital, family, financial, and legal problems. The desired value for the indicator is a high relative percentage of employees utilizing these programs.

46. FORFEITURE OF ANNUAL LEAVE

This indicator describes the amount of annual leave forfeited by an agency's workforce during leave year 1990 (expressed as hours of annual leave per employee per year). The total number of hours of annual leave (forfeit) is divided by the total number of employees and then expressed as the average number of hours forfeit per employee (as reported on OWI report "Leave Days Earned but not Used, by Agency, Leave Year 1990"). The standard score is listed directly below the average number of annual leave hours forfeited, and the desired value for the indicator is a low number of hours forfeited.



MOST POPULOUS PROFESSIONAL AND ADMINISTRATIVE OCCUPATIONS (Items 14 and 15)

DEPARTMENT OF JUSTICE

1984 MODEL (FY 83 data)

ADMINISTRATIVE OCCUPATIONS

- 006 Correctional Institution Administration Series 301 Miscellaneous Administration and Program Series
- 950 Paralegal Specialist Series 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series

PROFESSIONAL OCCUPATIONS

- 101 Social Science Series
- 510 Accounting Series
- 905 General Attorney Series
- 1320 Chemistry Series
- 1710 Education and Vocational Training Series

1985 MODEL (FY 84 data)

ADMINISTRATIVE OCCUPATIONS

- 006 Correctional Institution Administration Series
- 301 Miscellaneous Administration and Program Series
- 950 Paralegal Specialist Series
- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series

PROFESSIONAL OCCUPATIONS

- 101 Social Science Series
- 510 Accounting Series
- 905 General Attorney Series
- 1320 Chemistry Series
- 1710 Education and Vocational Training Series

1986 MODEL (FY 86 data)

ADMINISTRATIVE OCCUPATIONS

- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series
- 301 Miscellaneous Administration and Program Series
- 950 Paralegal Specialist Series
- 006 Correctional Institution Administration Series

PROFESSIONAL OCCUPATIONS

- 905 General Attorney Series
- 101 Social Science Series
- 1710 Education and Vocational Training Series
- 510 Accounting Series
- 1320 Chemistry Series

1987 MODEL (FY 87 DATA)

ADMINISTRATIVE OCCUPATIONS

- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series
- 301 Miscellaneous Administration and Program Series
- 1801 General Inspection, Investigation, and Compliance Series
- 950 Paralegal Specialist Series

PROFESSIONAL OCCUPATIONS

- 905 General Attorney Series
- 101 Social Science Series
- 1710 Education and Vocational Training Series
- 510 Accounting Series
- 1320 Chemistry Series



1988 MODEL (FY 88-DJ DATA)

ADMINISTRATIVE OCCUPATIONS

- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series
- 301 Miscellaneous Administration and Program Series
- 950 Paralegal Specialist Series
- 1801 General Inspection, Investigation, and Compliance Series

PROFESSINAL OCCUPATIONS

- 905 General Attorney Series
- 101 Social Science Series
- 510 Accounting Series
- 1710 Education and Vocational Training Series
- 1320 Chemistry Series

1989 MODEL (FY 89-DJ DATA)

ADMINISTRATIVE OCCUPATIONS

- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series
- 301 Miscellaneous Administration and Program Series
- 6 Correctional Institution Administration Series
- 950 Paralegal Specialist Series

PROFESSINAL OCCUPATIONS

- 905 General Attorney Series
- 101 Social Science Series
- 510 Accounting Series
- 1710 Education and Vocational Training Series
- 1320 Chemistry Series

1990 MODEL (FY 90-DJ DATA)

ADMINISTRATIVE OCCUPATIONS

- 1811 Criminal Investigating Series
- 1816 Immigration Inspection Series
- 301 Miscellaneous Administration and Program Series
- 6 Correctional Institution Administration Series
- 950 Paralegal Specialist Series

PROFESSIONAL OCCUPATIONS

- 905 General Attorney Series
- 101 Social Science Series
- 1102 Contracting Series
- 1710 Education and Vocational Training Series
- 510 Accounting Series



	1984	1985	1986	1987	1988		<			
NO STATISTICAL INDICATORS		1765 	1700	1701	1700	1707 	AGENCY	1990	MODEL	
IN FOR 90 DEPARTMENT OF JUSTICE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	VALUE	MEAN	HIGH*	LOW*
POSITION CLASSIFICATION & POSITION MANAGEMENT	========	======							:====== 	
1 STANDARD AVERAGE GRADE I INDEX (L)	1.02	1.02	1.02	1.02	1.02	1.02	1.01	1.02	0.98	1.08
AV/STD Standard Score	0.16	0.16	0.05	0.05	0.09	0.06	0.30	0.00	1.35	-2.02
2 STANDARD AVERAGE GRADE II INDEX (L)	1.08	1.08	1.08	1.08	1.07	1.06	1.05	1.03	0.97	1.09
AV/STD 16 OCCUPATIONS Standard Score	-0.81	-0.91	-1.00	-1.04	-0.90	-0.77	-0.59	0.00	1.77	-1.88
Bulge Indicators										
<pre>3 Percent of GS/GM 11-15 (L) GS/GM 11-15/GS 1-10 Ratio (L) Index Standard Score</pre>	0.78	38.9% 0.64 0.98 0.75	39.45% 0.65 0.98 0.74	41.50% 0.71 1.03 0.67	42.17% 0.73 1.01 0.68	42.58% 0.74 0.97 0.72	43.11% 0.76 0.94 0.76	56.97% 1.32 1.64 0.00	20.63% 0.26 0.33 1.42	76.25% 3.21 3.99 -2.53
4 GS/GM Average Grade (L) Index Standard Score	0.23	9.00 1.06 0.24	9.11 1.06 0.16	9.19 1.07 0.12	9.17 1.05 0.22	9.35 1.06 0.17	9.43 1.05 0.19	9.63 1.07 0.00	6.97 0.78 2.55	11.5 1.28 -1.79
5 GS/GM 11-15 Average Grade (L) Index Standard Score	-0.13	12.44 1.02 -0.04	12.43 1.02 -0.02	12.40 1.01 0.09	12.41 1.01 0.10	12.43 1.01 0.04	12.44 1.01 0.01	12.44 1.01 0.00	11.93 0.97 1.64	13.05 1.06 -1.93
6 GS/GM 11-15 Supervisors/Managers (L) as a ratio to all other GS/GM 11-15		0.31	0.31	0.30	0.30	0.30	0.29	0.25	0.17	0.37
Index Standard Score	-1.08	1.21 -0.91	1.21 -1.05	1.18 -0.96	1.15 -0.85	1.16 -0.89	1.14 -0.82	0.99	0.68 1.72	1.47 -2.69
7 GS/GM 11-15 Supervisors/Managers (L) as a ratio to all other employees		0.11 1.53	0.11 1.52	0.11	11.00	11.09	11.10	10.69	3.67 0.45	16.99 2.08
Index Standard Score	-0.22	-0.19	-0.24	1.47 -0.24	1.42 -0.17	1.42 -0.21	-0.12	0.00	1.98	-1.78
8 Change GS/GM 11-15 band (L) Standard Score	-0.13	0.18 -0.55	0.24 -0.78	0.41 -1.11	0.61 -1.40	0.72 -1.40	0.89	0.29 0.00	-0.12 1.02	1.47 -2.93
9 OVERTIME (L)	37.70	121.65	104.79	46.84	76.71	64.96	64.58	46.70	5.38	137.81
NO. OF HOURS IN FY PER EMPLOYEE Standard Score	0.09	-2.60	-1.72	-0.04	-1.18	-0.79	-0.56	0.00	1.29	-2.84
PERSONNEL OFFICE MGMT										
10 PERSONNEL RATIO (H) WORK FORCE TO PERSONNEL STAFF	69	75	72	74	68	64	57	66	107	42
Standard Score	0.56	0.37	0.20	0.32	0.02	-0.18	-0.64	0.00	2.83	-1.68
11 COST OF PERSONNEL SERVICES (L) STAFF SALARY SPENT PER EMPLOYEE Standard Score	\$395 0.51	\$400 0.48	\$416 0.41	\$407 0.59	\$439 0.45	\$484 0.34	\$552 0.02	\$555 0.00	\$278 2.00	\$915 -2.60
POSITION CLASS & POSITION MANAGEMENT AVG OF STD SCORES	-0.00	-0.29	-0.30	-0.14	-0.27	-0.27	-0.27	0.00	1.14	-0.98
	======	 	========	 	=======	======	=======		======	======

	=======	.======	:======	.=======	=======	.=======	=======	========		
	1984	1985	1986	1987	1988	1989	<	1990	MODEL	
NO STATISTICAL INDICATORS	4.051181	1051101		1051101	105404		AGENCY		MODEL	
IN FOR 90 DEPARTMENT OF JUSTICE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	AGENCY VALUE	VALUE	MEAN	HIGH*	LOW*
STAFFING	======		:======= 							:========
NA CONV. TO CC APPTS. AS % OF CC's (L)	18.94%	19.37%	NA	NA	NA	NA	NA	NA	NA	NA
Standard Score	1.21	0.91	NA	NA	NA	NA	NA	NA	NA	NA
12 AVG GRD OUTSIDE HIRES - 16 OCCS (L)	5.63	6.06	6.06	6.45	6.70	6.39	6.66	6.74	5.06	8.86
Standard Score	0.31	-0.41	-0.40	-0.67	-0.74	-0.20	0.08	0.00	1.65	-2.07
WORK FORCE PLANNING										
13 Turnover(Trans, retire & quits) (M) Agency Value minus Mean (abs. val.) Standard Score	7.79%	10.22%	10.18%	10.46%	8.74%	8.67%	7.26%	8.10%	8.06%	12.27%
	0.65%	1.22%	0.29%	1.06%	0.73%	0.35%	0.84%	1.27%	0.04%	4.17%
	0.71	0.23	1.21	0.47	1.07	0.91	0.41	0.00	1.18	-2.79
Turnover - Major Occupations										
14 5 Prof Occupations (M) Agency Value minus Mean (abs. val.) Standard Score	7.20%	9.10%	10.00%	10.50%	9.73%	9.60%	7.60%	7.06	7.2	10.50
	1.80%	2.32%	1.94%	3.26%	2.32%	2.39%	0.54%	1.28	0.14	3.44
	-0.54	-1.13	0.23	-1.06	-0.41	-0.64	0.90	0.00	1.39	-2.62
15 5 Admin Occupations (M) Agency Value minus Mean (abs. val.) Standard Score	4.40%	4.40%	5.50%	5.80%	4.76%	4.60%	5.10%	5.99	6.1	11.00
	1.32%	2.63%	2.12%	1.13%	2.50%	2.24%	0.89%	1.19	0.11	5.01
	-0.82	-1.75	-0.28	0.07	-0.68	-0.84	0.26	0.00	0.94	-3.35
SPECIAL EMPHASIS PROGRAMS (Percent of Total Workforce)										
16 BLACKS - % (H)	16.46%	16.76%	16.42%	16.44%	16.27%	16.35%	16.55%	19.48%	38.67%	5.29%
Standard Score	-0.23	-0.28	-0.34	-0.35	-0.38	-0.38	-0.37	0.00	2.45	-1.81
17 HISPANICS - % (H) Standard Score	9.31%	10.22%	10.56%	11.21%	11.97%	12.05%	11.58%	5.10%	11.58%	3.35%
	2.56	2.68	2.81	2.91	3.12	3.14	2.96	0.00	2.96	-0.80
18 WOMEN - % (H)	37.14%	37.01%	36.36%	37.93%	38.30%	38.27%	38.28%	46.06%	64.88%	30.48%
Standard Score	-0.53	-0.63	-0.74	-0.65	-0.67	-0.74	-0.79	0.00	1.91	-1.58
19 HANDICAPPED - % (H) Standard Score	1.90%	1.90%	1.93%	1.90%	1.98%	2.14%	2.29%	5.64%	10.00%	2.29%
	-2.07	-2.11	-2.07	-2.15	-2.12	-2.02	-1.91	0.00	2.48	-1.91

===:	.======================================	========		.=======			.=======		=======		======
		1984	1985	1986	1987	1988	1989	<	1990	MODEL	
NO I N	STATISTICAL INDICATORS FOR	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY VALUE		MODEL	
90	DEPARTMENT OF JUSTICE	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	MEAN	HIGH*	LOW*
====	SEP DISTRIBUTION AT GRADES 11-15	=======						======== 	:======= 		
20	BLACKS - % (H)	NA NA	NA NA	22.63% -0.47	23.70% -0.42	24.34% -0.47	24.87% -0.55	25.96% -0.58	32.35 0.00	51.03% 1.71	8.05% -2.22
	Standard Score	NA	NA	-0.47	-0.42	-0.47	-0.55	1 .0.36	0.00	1.71	-2.22
21	HISPANICS - % (H)	NA	NA	24.50%	26.94%	32.23%	33.61%	34.27%	43.38	73.36%	15.54%
	Standard Score	NA	NA	-0.90	-0.84	-0.56	-0.55	-0.61	0.00	2.00	-1.86
22	WOMEN - % (H)	NA	NA	21.06%	23.06%	23.91%	25.00%	26.83%	32.38	56.21%	11.78%
	Standard Score	NA	NA	-0.45	-0.36	-0.42	-0.48	-0.51	0.00	2.19	-1.90
23	HANDICAPPED - % (H)	NA	NA	31.87%	32.98%	33.32%	31.22%	31.97%	46.45	70.62%	20.30%
23	Standard Score	NA NA	NA NA	-1.09	-0.87	-0.83	-0.96	-0.98	0.00	1.63	-1.77
					,						
	SEP. OF PROBATIONERS (M)	5.21%	4.34%	5.60%	4.27%	2.46%	5.62%	2.80%	2.28%	2.25%	6.13%
Ĩ	gency Value minus Mean (abs. val.)	3.34%	2.74%	2.89%	2.45%	0.28%	3.48%	0.52%	1.19%	0.03%	3.85%
	Standard Score	-2.13	-2.33	-2.08	-2.20	0.63	-2.11	0.70	0.00	1.20	-2.76
	VETERAN APPOINTMENTS PER 1000 EMPLOYEES							,			
25	Disabled Vet Appts (H)	2.04	3.22	1.55	2.83	2.83	1.62	2.17	2.75	7.28	0.40
	Standard Score	-0.37	-0.07	-0.63	-0.30	-0.02	-0.69	-0.32	0.00	2.48	-1.29
26	VRA Appts & Convs (H)	7.41	9.86	5.01	4.90	3.02	2.13	1.04	2.23	7.99	0.00
20	Standard Score	0.01	0.08	-0.37	-0.33	-0.51	-0.62	-0.52	0.00	2.50	-0.97
										2	
27	30% Disabled Appt & Conv (H) Standard Score	0.23 -0.61	0.39 -0.63	0.38 -0.59	0.35 -0.61	0.50 -0.50	0.38	0.45 -0.48	0.90 0.00	4.05 3.39	0.00 -0.97
	Standard Soore	0.0,	0.05	0.57	0.01	0120	0.00			,	•••
		496-						47.5			44 477
28	OWCP BENEFITS (\$\$ PER CAPITA) (L) Standard Score	\$307 -1.64	\$247 -0.66	\$375 -1.13	\$295 -0.61	\$331 -0.40	\$349 -0.40	\$369 -0.31	\$301 0.00	\$59 1.08	\$1,030 -3.25
20	TIMELINESS OF DET PENEETT CLAIMS	3.51%	2 049	3.86%	86.10%	71.00%	51.00%	13.00%	17.80%	7.00%	68.00%
29	TIMELINESS OF RET. BENEFIT CLAIMS % OVER 30 DAYS (L)		2.06%	***************************************				***************************************			
	Standard Score *** See Glossary for redefinition.	0.78	1.00	0.65	-1.43	-0.85	-1.15	0.36	0.00	0.80	-3.73
30	CPDF DATA QUALITY (H)	NA NA	96 1 17	96	90	85	88	93	94	97	89
	Standard Score	NA	1.17	0.97	1.04	-0.18	-0.58	-0.21	0.00	1.48	-1.90
	STAFFING AVG OF STD SCORES	-0.22	-0.25	-0.27	-0.47	-0.25	-0.55	-0.03	0.00	0.42	-0.51
		0.22	0.25	0.21	0.47	0.25		0.05	0.00	0.42	3.51
===:	::::::::::::::::::::::::::::::::::::::	========				=======	=======	========	=======	=======	=======

	1984	1985	1986	1987	1988	1989	<	1990	MODEL	
NO STATISTICAL INDICATORS							AGENCY	 	MODEL	
IN FOR 90 DEPARTMENT OF JUSTICE	AGENCY VALUE	AGENCY Value	AGENCY VALUE	AGENCY Value	AGENCY Value	AGENCY VALUE	VALUE	MEAN	HIGH*	LOW*
PERFORMANCE MANAGEMENT										
MEAN RATINGS (5.0 = OUTSTANDING)										
31 MEAN DISTRIB OF SES RATINGS (L) Percent Outstanding Mean Rating Standard Score	71.40%	75.00%	80.20%	50.00%	81.35%	0.00%	76.21%	58.21%	6.38%	97.74%
	4.67	4.72	4.78	4.50	4.81	0.00	4.74	4.49	3.82	4.97
	-1.18	-0.85	-1.28	-0.88	-1.34	0.00	-0.82	0.00	2.26	-1.60
32 MEAN DISTRIB OF GM RATINGS (L) Percent Outstanding Mean Rating Standard Score	36.70%	42.20%	48.33%	53.86%	57.27%	50.28%	49.11%	32.18%	12.94%	70.60%
	4.21	4.29	4.38	4.44	4.50	4.43	4.42	4.12	3.77	4.62
	-1.16	-1.82	-1.97	-2.29	-2.14	-1.67	-1.36	0.00	1.56	-2.26
33 MEAN DISTRIB OF GS RATINGS (L) Percent Outstanding Mean Rating Standard Score	0.00%	18.97%	19.49%	25.85%	20.64%	29.57%	32.03%	23.32%	10.80%	32.03%
	0.00	3.78	3.84	3.97	3.88	4.08	4.13	3.88	3.59	4.13
	0.00	-0.74	-0.86	-1.67	-0.67	-1.29	-1.40	0.00	1.69	-1.40
TRAINING										
34 COST PER INSTANCE OF TRAINING (L)	NA	\$696	\$683	\$711	\$611	\$864	\$429	\$562	\$244	\$2,234
Standard Score	NA	-1.79	-0.65	-1.09	-0.73	-0.92	0.31	0.00	0.74	-3.89
35 PERCENT SUPRS/MGRS TRAINED (H) Standard Score	NA	56.05%	52.86%	46.11%	52.05%	64.40%	49.65%	62.07%	75.43%	36.55%
	NA	-0.22	-0.27	-0.75	-0.46	0.36	-0.67	0.00	0.72	-1.37
36 PERCENT NONSUPERVISOR TRAINED (H) Standard Score	NA	53.35%	45.07%	57.35%	64.64%	85.12%	28.03%	23.90%	67.05%	10.24%
	NA	0.19	-0.25	0.41	1.08	2.19	0.33	0.00	3.48	-1.10
NA PERCENT PRESUMPTIVE RATINGS - GM (L)	9.80%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Standard Score		NA	NA	NA	NA	NA	NA	NA	NA	NA
37 SUGGESTIONS/100 EMPLOYEES (H) Standard Score	5.30%	5.70%	5.80	5.60	5.20	6.40	7.60	4.34	10.3	0.40
	0.24	0.29	0.41	0.35	0.21	0.63	1.02	0.00	1.87	-1.23
AWARDS										
38 PERF-AWARD's/100 EMPLOYEES (M) Agency Value minus Mean (abs. val.) Standard Score	3.90	5.52	11.50	12.70	14.40	16.20	16.20	34.74	34.8	60.70
	4.17	8.01	7.88	9.60	11.83	14.15	18.54	11.83	0.06	25.96
	-0.82	-0.56	-0.14	-0.06	-0.36	-0.43	-0.92	0.00	1.61	-1.93
39 SPECIAL ACTS/100 EMPLOYEES (M) Agency Value minus Mean (abs. val.) Standard Score	3.00	5.25	5.70	6.20	7.60	8.70	13.20	14.82	14.4	34.80
	0.73	0.86	0.28	0.93	1.58	2.52	1.62	6.64	0.42	19.98
	0.50	0.72	0.94	0.73	0.59	0.76	1.05	0.00	1.30	-2.79
40 QSI's/100 EMPLOYEES (M) Agency Value minus Mean (abs. val.) Standard Score	5.40	4.55	4.90	4.30	4.60	5.40	5.20	3.99	4.00	11.40
	0.96	1.77	0.73	0.27	1.24	1.34	1.21	2.31	0.01	7.41
	0.90	-1.13	0.76	0.69	0.46	0.43	0.64	0.00	1.33	-2.95
Standard Score		-1.13								

	1984	1985	1986	1987	1988	1989	<	1990	MODEL	
NO STATISTICAL INDICATORS IN FOR	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY	AGENCY VALUE		MODEL	
90 DEPARTMENT OF JUSTICE	VALUE	VALUE	VALUE	VALUE	VALUE	VALUE	 ========	MEAN ========	HIGH*	LOW*
PERSONNEL ACTIONS										
41 432 ACTIONS/1000 EMPLOYEES (H) Standard Score	0.13 -0.50	0.17 -0.40	0.06 -0.69	0.13 -0.59	0.07 -0.67	0.18 -0.51	0.14 -0.53	0.23 0.00	0.67 2.62	0.00 -1.37
42 WGI DENIALS/1000 EMPLOYEES (H) Standard Score	0.38 -0.82	0.75 -0.49	0.43 -0.51	0.50 -0.40	0.24 -0.49	0.42 -0.42	0.30 -0.43	2.15 0.00	21.64 4.55	0.18 -0.46
43 752 ACTIONS/1000 EMPLOYEES (H) Standard Score	8.89 2.57	10.33 3.62	14.08 3.60	14.80 3.81	11.05 3.59	9.38 2.63	8.65 2.47	3.61 0.00	8.65 2.47	0.00 -1.77
44 SICK LEAVE (L) Days per emp. per year Standard Score	7.62 0.55	7.64 0.67	7.58 0.67	7.18 1.00	6.71 1.35	7.84 0.88	7.42 0.48	8.17 0.00	3.87 2.77	10.44 -1.46
45 EMPLOYEE ASSISTANCE - % IN EAPS (H) Standard Score	NA NA	NA NA	3.43% 0.34	3.73% 0.52	3.97% 0.15	4.20% 0.17	6.27% 0.92	4.16% 0.00	11.24% 3.11	1.17% -1.31
46 ANNUAL LEAVE FORFEITED - (L) Hours per employee per leave year Standard Score	NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	5.45 -1.11	2.69	0.91 0.72	9.72
PERFORMANCE MANAGEMENT AVG OF STD SCORES	-0.07	-0.18	0.01	-0.01	0.04	0.20	-0.00	0.00	0.38	-0.90
	======	=======		======	======	=======	=======	======	*******	=======
STATISTICAL INDICATORS AVERAGE STANDARD SCORE	-0.10	-0.24	-0.19	-0.21	-0.16	-0.20	-0.10	0.00	0.59	-0.78
STATISTICAL INDICATORS FINAL SCORE	67	62	63	61	63	61	66	69.75	91	42
	======	======	======	======	======	======	=======	======	======	======

Notes:

The mean of the model is the mean of the 22 agency values in the model. It is not and should not be confused with the Governmentwide mean.

Many of the calculations on this sheet were made using full precision values (about 15 decimal places). Only limited places can be shown on the printout. Therefore, values which appear the same may not be so, and the calculations are not easy to replicate by hand.

Codes (L), (H), or (M) specify the desired value for each statistical indicators as low (L), high (H), or middle (M), i.e., closest to the mean.

Agency: DEPARTMENT OF JUSTICE

A. The following data were extracted from the CPDF to compute bulge indices:

Data as of March, 1991:	Agency	Governmentwide
Total employment:	63,289	2,063,119
FTP GS/GM and similar employees only: Number of GS 1 to 10: Number of GS/GM 11 to 15: Managers and supervisors in the GS/GM 11 to 15 range: Blank manager/supervisor fields for the GS/GM 11 to 15 range: Average grade GS/GM 1 to 15: Average grade GS/GM 11 to 15: Standard average grade: Agency average grade:	28,958 21,941 6,323 0 9.42875 12.44086 9.30 9.43	761,461 613,013 155,540 324 8.96919 12.28041 NA NA
Data as of March, 1983: Total employment:	38,714	2,009,428
FTP GS/GM and similar employees only: Number of GS 1 to 10: Number of GS/GM 11 to 15: Managers and supervisors in the GS/GM 11 to 15 range: Blank manager/supervisor fields for the GS/GM 11 to 15 range: Average grade GS/GM 1 to 15: Average grade GS/GM 11 to 15:	18,824 11,626 3,755 318 9.00085 12.49819	782,747 486,722 125,209 14,916 8.41684 12.26560
Data as of March,1981: GS/GM 11 to 15:	11,581	465,621

- B. The following is an explanation of how these indices were computed:
 - 1. Index of the ratio of GS/GM 11-15 to GS 1-10 $\,$

Agency 3/91		Governmentwide 3/91
21,941	0.75768	613,013 = 0.80504
28,958		761,461
Index 3/91		
0.75768	0.94117	
0.80504		



0.25386

2. Index of the average grade of GS/GM 1 to 15

3. Index of the average grade of GS/GM 11 to 15

Index of the percent of supervisors and managers to all GS/GM 11 to 15 *
 Agency 3/91

5. Index of the ratio of supervisors and managers to all other employees *
Agency 3/91

For change in factors 1 through 5, the indices for each factor are computed using the data for March, 1983, in the same formulas used above. The index for 1983 is then subtracted from the index for March 1991.

Change in indices 1 through 5:

		1991 Index	1983 Index	Change
6.	Ratio GS/GM 11-15 to GS 1-10	0.94117	0.99326	-0.05209
7.	Average grade GS/GM 1-15	1.05124	1.06939	-0.01815
8.	Average grade GS/GM 11-15	1.01307	1.01896	-0.00589
9.	Percent of GM 11- 15 supervisors and managers to all other GS/GM 11-15	1.13519	1.25130	-0.11611
10.	Ratio of GM 11-15 supervisors and managers to all other employees	1.36113	1.61839	-0.25726

11. Percent of change in GS/GM 11-15 from 1981 to 1991

12 Index of agency standard average grade

For each factor entered into the model, a standard score is computed by finding the mean and the standard deviation of all the values entered for that factor. This mean is then subtracted from each agency's factor value and the resulting value is divided by the standard deviation, producing a standard score for each agency on that factor.

A weighted average of all standard scores produces an agency's final score.

* Agency and Governmentwide figures are adjusted to eliminate blank fields in the supervisor/manager designations of the CPDF.



C. The following chart shows the agency figures for the current report period (March, 1991), a year ago (March, 1990), and the base year (March, 1983), on the basic 'bulge' factors.

AGENCY SPECIFIC DATA

FACTOR	MARCH 1983	MARCH 1990	MARCH 1991
Ratio of GS/GM 11-15 to GS 1-10:	0.61762	0.74158	0.75768
Average Grade GS/GM 1-15:	9.00085	9.34948	9.42875
Average Grade GS/GM 11-15:	12.49819	12.43101	12.44086
Ratio of GS/GM 11-15 Supervisor/ Manager to all other GS 11-15:	0.33207	0.29539	0.28818
Ratio of GS/GM 11-15 Supervisor/ Manager to all other	0.10840	0.11095	0.11100
employees:	0.10840	0.11095	0.11100
Standard Average Grade:	NA	9.17	9.30

POSITION MANAGEMENT TOTAL COUNT COMPARISON 81 TO 83 AND 91

	< MARCH 1981					<	MAI	RCH 1983			> <>					
	1	TP	FT	P	RATIO	F	TP	F	TP	RATIO	,	FTP	F1	TP	RATIO	
	EMPLOYME	NT COUNT	EMPLOYMENT	PERCENT	FTP	EMPLOYME	NT COUNT	EMPLOYMEN	T PERCENT	FTP	EMPLOYME	ENT COUNT	EMPLOYMENT	PERCENT	FTP	
					11-15 TO					11-15 TO				· · · · · · · ·	11-15 TO	
Agency	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10	
griculture	48,237	32,622	59.66%	40.34%	0.68	56,184	34,394	62.03%	37.97%	0.61	52,770	36,973	58.80%	41.20%	0.70	
Fir Force	86,036	41,445	67.49%	32.51%	0.48	90,908	46,060	66.37%	33.63%	0.51	77,478	54,396	58.75%	41.25%	0.70	
₩rmy	136,407	70,550	65.91%	34.09%	0.52	141,645	77,183	64.73%	35.27%	0.54	126,241	97,853	56.33%	43.67%	0.78	
Commerce '	12,547	14,592	46.23%	53.77%	1.16	11,310	13,863	44.93%	55.07%	1.23	11,397	14,156	44.60%	55.40%	1.24	
B efense	29,686	22,690	56.68%	43.32%	0.76	30,723	25,496	54.65%	45.35%	0.83	32,997	42,474	43.72%	56.28%	1.29	
® ^	3,722	6,185	37.57%	62.43%	1.66	2,591	6,202	29.47%	70.53%	2.39	4,224	10,904	27.92%	72.08%	2.58	
_Education	2,499	3,069	44.88%	55.12%	1.23	1,677	2,987	35.96%	64.04%	1.78	1,317	2,878	31.39%	68.61%	2.19	
Energy	6,561	10,335	38.83%	61.17%	1.58	5,053	8,788	36.51%	63.49%	1.74	4,532	10,411	30.33%	69.67%	2.30	
Energy -GBA HHS	11,308	6,935	61.99%	38.01%	0.61	9,752	6,718	59.21%	40.79%	0.69	6,624	7,640	46.44%	53.56%	1.15	
THIS	86,888	36,524	70.40%	29.60%	0.42	79,258	37,021	68.16%	31.84%	0.47	64,689	37,428	63.35%	36.65%	0.58	
ÓUND	6,578	8,437	43.81%	56.19%	1.28	4,591	8,037	36.36%	63.64%	1.75	4,964	7,726	39.12%	60.88%	1.56	
Unterior	28,767	22,577	56.03%	43.97%	0.78	25,527	22,719	52.91%	47.09%	0.89	25,209	25,019	50.19%	49.81%	0.99	
Mustice	19,537	11,581	62.78%	37.22%	0.59	18,824	11,626	61.82%	38.18%	0.62	28,958	21,941	56.89%	43.11%	0.76	
tabor	7,949	12,253	39.35%	60.65%	1.54	5,880	11,502	33.83%	66.17%	1.96	4,941	10,818	31.35%	68.65%	2.19	
PASA	6,431	14,458	30.79%	69.21%	2.25	5,562	14,164	28.20%	71.80%	2.55	5,427	17,423	23.75%	76.25%	3.21	
<u>₩</u> avy	90,283	59,808	60.15%	39.85%	0.66	94,929	65,621	59.13%	40.87%	0.69	92,301	95,123	49.25%	50.75%	1.03	
- OPM	3,582	2,518	58.72%	41.28%	0.70	2,635	2,295	53.45%	46.55%	0.87	3,103	2,287	57.57%	42.43%	0.74	
Other	18,938	20,459	48.07%	51.93%	1.08	15,983	21,723	42.39%	57.61%	1.36	13,588	20,175	40.25%	59.75%	1.48	
⊞ A	1,867	2,493	42.82%	57.18%	1.34	1,571	2,406	39.50%	60.50%	1.53	1,380	2,443	36.10%	63.90%	1.77	
State	2,517	935	72.91%	27.09%	0.37	2,513	1,106	69.44%	30.56%	0.44	2,656	2,306	53.53%	46.47%	0.87	
Transportation	5,163	6,585	43.95%	56.05%	1.28	4,488	6,575	40.57%	59.43%	1.47	4,433	7,163	38.23%	61.77%	1.62	
Treasury	76,857	39,019	66.33%	33.67%	0.51	69,283	39,734	63.55%	36.45%	0.57	93,576	59,564	61.10%	38.90%	0.64	
Treasury	103,103	19,668	83.98%	16.02%	0.19	101,860	20,502	83.24%	16.76%	0.20	98,656	25,912	79.20%	20.80%	0.26	
MALL	795,463	465,738	63.07%	36.93%	0.59	782,747	486,722	61.66%	38.34%	0.62	761,461	613,013	55.40%	44.60%	0.81	
AVERAGE	34,585	20,249	54.75%	45.25%	0.94	34,032	21,162	51.58%	48.42%	1.12	33,107	26,653	46.88%	53.12%	1.33	
MINIMUM	1,867	935	30.79%	16.02%	0.19	1,571	1,106	28.20%	16.76%	0.20	1,317	2,287	23.75%	20.80%	0.26	
MAXIMUM	136,407	70,550	83.98%	69.21%	2.25	141,645	77,183	83.24%	71.80%	2.55	126,241	97,853	79.20%	76.25%	3.21	
RANGE	134,540	69,615	53.19%	53.19%	2.06	140,074	76,077	55.05%	55.05%	2.35	124,924	95,566	55.45%	55.45%	2.95	
STANDARD DEVIATION	39,594	18,212	13.18%	13.18%	0.50	40,594	20,028	14.63%	14.63%	0.65	38,327	26,859	13.39%	13.39%	0.73	
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	i CHAI	NCE	 % OF CI	IANCE I	CHAN	ICE.	* 05 01	ANCE	CHANCE	CHANCE	CHANCE	CUANCE	CHANCE	CUANCE	
		TO 1983	1981 TO		CHAN	10 1991	1 % OF CH		CHANGE	CHANGE IN	CHANGE IN	CHANGE	CHANGE IN %	CHANGE	
	1701 	10 1703	1901 10		1901 1	0 1991	1901 10		IN RATIO	RATIO		OF 11-15		IN %	
Agency	1-10	11-15	1-10	11-15	1-10	11-15	1-10	11-15		KATTO 81 TO 91		81 TO 83	lease and the lease of		
		••••••			••••••					·		• • • • • • • • • •			
Agricul ture	7947	1772	16.47%	5.43%	4533	4351	9.40%	13.34%	-0.06	0.02	0.09	-2.37%	0.85%	3.23%	
Air Force	4872	4615	5.66%	11.14%	-8558	12951	-9.95%	31.25%	0.02	0.22	0.20	1.12%	8.74%	7.62%	
Army	5238	6633	3.84%	9.40%	-10166	27303	-7.45%	38.70%	0.03	0.26	0.23	1.18%	9.58%	8.39%	
#Commerce	-1237	-729	-9.86%	-5.00%	-1150	-436	-9.17%	-2.99%	0.06	0.08	0.02	1.30%	1.63%	0.33%	
ODefense '	1037	2806	3.49%	12.37%	3311	19784	11.15%	87.19%	0.07	0.52	0.46	2.03%	12.96%	10.93%	
SEPA .	-1131	17	-30.39%	0.27%	502	4719	13.49%	76.30%	0.73	0.92	0.19	8.10%	9.65%	1.54%	
Education	-822	-82	-32.89%	-2.67%	-1182	-191	-47.30%	-6.22%	0.55	0.96	0.40	8.93%	13.49%	4.56%	
Energy	-1508	-1547	-22.98%	-14.97%	-2029	76	-30.93%	0.74%	0.16	0.72	0.56	2.32%	8.50%	6.18%	
GSA HHHS NUO	-1556	-217	-13.76%	-3.13%	-4684	705	-41.42%	10.17%	0.08	0.54	0.46	2.77%	15.55%	12.77%	
HHS	-7630	497	-8.78%	1.36%	-22199	904	-25.55%	2.48%	0.05	0.16	0.11	2.24%	7.06%	4.81%	
Z,HOD	-1987	-400	-30.21%	-4.74%	-1614	-711	-24.54%	-8.43%	0.47	0.27	-0.19	7.45%	4.69%	-2.76%	
Ointerior	-3240	142	-11.26%	0.63%	-3558	2442	-12.37%	10.82%	0.11	0.21	0.10	3.12%	5.84%	2.72%	
Justice	-713	45	-3.65%	0.39%	9421	10360	48.22%	89.46%	0.02	0.16	0.14	0.96%	5.89%	4.93%	
∑ abor	-2069	-751	-26.03%	-6.13%	-3008	-1435	-37.84%	-11.71%	0.41	0.65	0.23	5.52%	7.99%	2.47%	
MASA	-869	-294	-13.51%	-2.03%	-1004	2965	-15.61%	20.51%	0.30	0.96	0.66	2.59%	7.04%	4.45%	
ONavy	4646	5813	5.15%	9.72%	2018	35315	2.24%	59.05%	0.03	0.37	0.34	1.02%	10.91%	9.88%	
ODPM	-947	-223	-26.44%	-8.86%	-479	-231	-13.37%	-9.17%	0.17	0.03	-0.13	5.27%	1.15%	-4.12%	
Other	-2955	1264	-15.60%	6.18%	-5350	-284	-28.25%	-1.39%	0.28	0.40	0.13	5.68%	7.82%	2.14%	
OSBA OState	-296	-87	-15.85%	-3.49%	-487	-50	-26.08%	-2.01%	0.20	0.43	0.24	3.32%	6.72%	3.40%	
State	-4	171	-0.16%	18.29%	139	1371	5.52%	146.63%	0.07	0.50	0.43	3.48%	19.39%	15.91%	
OT ransportation	-675	-10	-13.07%	-0.15%	-730	578	-14.14%	8.78%	0.19	0.34	0.15	3.38%	5.72%	2.34%	
UTreasury	-7574	715	-9.85%	1.83%	16719	20545	21.75%	52.65%	0.07	0.13	0.06	2.77%	5.22%	2.45%	
Orreasury OVA	-1243	834	-1.21%	4.24%	-4447	6244	-4.31%	31.75%	0.01	0.07	0.06	0.74%	4.78%	4.05%	
OALL	-12716	20984	-1.60%	4.51%	-34002	147275	-4.27%	31.62%	0.04	0.22	0.18	1.41%	7.67%	6.26%	
NAVERAGE	-553	912	-10.91%	1.31%	-1478	6403	-10.28%	27.73%	0.17	0.39	0.21	3.17%	7.88%	4.71%	
MINIMUM	-7630	-1547	-32.89%	-14.97%	-22199	-1435	-47.30%	-11.71%	-0.06	0.02	-0.19	-2.37%	0.85%	-4.12%	
MAXIMUM	7947	6633	16.47%	18.29%	16719	35315	48.22%	146.63%	0.73	0.96	0.66	8.93%	19.39%	15.91%	
RANGE	15577	8180	49.37%	33.26%	38918	36750	95.52%	158.34%	0.80	0.94	0.86	11.30%	18.53%	20.03%	
STANDARD DEVIATION	3523	2063	13.01%	7.42%	6999	9868	21.77%	39.69%	0.20	0.29	0.21	2.58%	4.38%	4.54%	



POSITION MANAGEMENT TOTAL COUNT COMPARISON 81 TO 83 AND 91

				POSITION	MANAGEMEN	IT TOTAL CO	DUNT COMPAR	RISON 81 TO	83 AND 91						
FOIA															
JΑ															
#	<	MAI	RCH 1981		>	<	MAR	RCH 1983		>	<	MAF	RCH 1991		>
6	j 1	FTP	FT	P	RATIO		TP	F1	TP	RATIO	·	FTP	FT	P	RATIO
00	EMPLOYME	ENT COUNT	EMPLOYMENT	PERCENT	FTP	EMPLOYME	NT COUNT	EMPLOYMENT	PERCENT	FTP	EMPLOYME	ENT COUNT	EMPLOYMENT	PERCENT	FTP
# 60048					11-15 TO					11-15 TO					11-15 TO
Agency	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10
R Agriculture			·												
	48,237	32,622	59.66%	40.34%		56,184		62.03%	37.97%		52,770	36,973	58.80%	41.20%	0.70
Commerce	12,547	14,592	46.23%	53.77%	1.16	11,310	13,863	44.93%	55.07%	1.23	11,397	14,156	44.60%	55.40%	1.24
GPA	3,722	6,185	37.57%	62.43%	1.66	2,591	6,202	29.47%	70.53%		4,224	10,904	27.92%	72.08%	2.58
Education	2,499	3,069	44.88%	55.12%	1.23	1,677	2,987	35.96%	64.04%	1.78	1,317	2,878	31.39%	68.61%	2.19
<u>lEhergy</u>	6,561	10,335	38.83%	61.17%	1.58	5,053	8,788	36.51%	63.49%	1.74	4,532	10,411	30.33%	69.67%	2.30
@ sA	11,308	6,935	61.99%	38.01%	0.61	9,752	6,718	59.21%	40.79%	0.69	6,624	7,640	46.44%	53.56%	1.15
M HS	86,888	36,524	70.40%	29.60%	0.42	79,258	37,021	68.16%	31.84%	0.47	64,689	37,428	63.35%	36.65%	0.58
agu o	6,578	8,437	43.81%	56.19%	1.28	4,591	8,037	36.36%	63.64%	1.75	4,964	7,726	39.12%	60.88%	1.56
Interior	28,767	22,577	56.03%	43.97%	0.78	25,527	22,719	52.91%	47.09%	0.89	25,209	25,019	50.19%	49.81%	0.99
Distice	19,537	11,581	62.78%	37.22%	0.59	18,824	11,626	61.82%	38.18%	0.62	28,958	21,941	56.89%	43.11%	0.76
⊌ bor	7,949	12,253	39.35%	60.65%	1.54	5,880	11,502	33.83%	66.17%	1.96	4,941	10,818	31.35%	68.65%	2.19
MASA	6,431	14,458	30.79%	69.21%	2.25	5,562	14,164	28.20%	71.80%	2.55	5,427	17,423	23.75%	76.25%	3.21
ORM	3,582	2,518	58.72%	41.28%	0.70	2,635	2,295	53.45%	46.55%	0.87	3,103	2,287	57.57%	42.43%	0.74
Other Other	18,938	20,459	48.07%	51.93%	1.08	15,983	21,723	42.39%	57.61%	1.36	13,588	20,175	40.25%	59.75%	1.48
(SBA	1,867	2,493	42.82%	57.18%	1.34	1,571	2,406	39.50%	60.50%	1.53	1,380	2,443	36.10%	63.90%	1.77
oo ⊜tate	2,517	935	72.91%	27.09%	0.37	2,513	1,106	69.44%	30.56%	0.44	2,656	2,306	53.53%	46.47%	0.87
™ansportation	5,163	6,585	43.95%	56.05%	1.28	4,488	6,575	40.57%	59.43%	1.47	4,433	7,163	38.23%	61.77%	1.62
Treasury	76,857	39,019	66.33%	33.67%	0.51	69,283	39,734	63.55%	36.45%	0.57	93,576	59,564	61.10%	38.90%	0.64
VA	103,103	19,668	83.98%	16.02%	0.19	101,860	20,502	83.24%	16.76%	0.20	98,656	25,912	79.20%	20.80%	0.26
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ALL NON DOD	453,051	271,245	62.55%	37.45%	0.60	424,542	272,362	60.92%	39.08%	0.64	432,444	323,167	57.23%	42.77%	0.75
AVERAGE	23,845	14,276	53.11%	46.89%	1.01	22,344	14,335	49.55%	50.45%	1.22	22,760	17,009	45.80%	54.20%	1.41
MINIMUM	1,867	935	30.79%	16.02%	0.19	1,571	1,106	28.20%	16.76%	0.20	1,317	2,287	23.75%	20.80%	0.26
MAXIMUM	103,103	39,019	83.98%	69.21%	2.25	101,860	39,734	83.24%	71.80%	2.55	98,656	59,564	79.20%	76.25%	3.21
RANGE	101,236	38,084	53.19%	53.19%	2.06	100,289	38,628	55.05%	55.05%	2.35	97,339	57,277	55.45%	55.45%	2.95
STANDARD DEVIATION	△ 30,543	11,240	13.81%	13.81%	0.52	29,709	11,668	15.20%	15.20%	0.67	30,440	14,595	14.25%	14.25%	0.77

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			NCE	* 05.0	141105			W or 5		Leuanes	Louisia	l cuaver	LOUANOS	Louise	- CUANCE	
		CHAI		% OF C		CHANGE		% OF CHANGE		CHANGE IN	CHANGE	CHANGE	CHANGE	CHANGE	CHANGE	
		1981	TO 1983	1981 1	1981 TO 1983		1981 TO 1991		1981 TO 1991		IN	IN	IN %	IN %	IN %	1
		4.40	1 44 45	4 40 1	44 45			4 40 1	44 45	RATIO	RATIO	RATIO			OF 11-15	į
	Agency	1-10	11-15	1-10	11-15	1-10	11-15	1-10	11-15	81 TO 83	81 TO 91	183 10 91	81 TO 83	81 TO 91	83 10 91	
	Agriculture	7947	1772	16.47%	5.43%	4533	4351	9.40%	13.34%	-0.06	0.02	0.09	-2.37%	0.85%	3.23%	ĺ
FC	Commerce	-1237	-729	-9.86%	-5.00%	-1150	-436	-9.17%	-2.99%	0.06	0.08	0.02	1.30%	1.63%	0.33%	l
OIA	EPA	-1131	17	-30.39%	0.27%	502	4719	13.49%	76.30%	0.73	0.92	0.19	8.10%	9.65%	1.54%	
/#	Education	-822	-82	-32.89%	-2.67%	-1182	-191	-47.30%	-6.22%	0.55	0.96	0.40	8.93%	13.49%	4.56%	ĺ
6	Energy GSA HHS	-1508	-1547	-22.98%	-14.97%	-2029	76	-30.93%	0.74%	0.16	0.72	0.56	2.32%	8.50%	6.18%	
00	GSA	-1556	-217	-13.76%	-3.13%	-4684	705	-41.42%	10.17%	0.08	0.54	0.46	2.77%	15.55%	12.77%	i
48	HHS	-7630	497	-8.78%	1.36%	-22199	904	-25.55%	2.48%	0.05	0.16	0.11	2.24%	7.06%	4.81%	
	HUD	-1987	-400	-30.21%	-4.74%	-1614	-711	-24.54%	-8.43%	0.47	0.27	-0.19	7.45%	4.69%	-2.76%	
URT	Interior	-3240	142	-11.26%	0.63%	-3558	2442	-12.37%	10.82%	0.11	0.21	0.10	3.12%	5.84%	2.72%	
[~	Justice	-713	45	-3.65%	0.39%	9421	10360	48.22%	89.46%	0.02	0.16	0.14	0.96%	5.89%	4.93%	1
S ₁	Labor	-2069	-751	-26.03%	-6.13%	-3008	-1435	-37.84%	-11.71%	0.41	0.65	0.23	5.52%	7.99%	2.47%	ĺ
9	NASA	-869	-294	-13.51%	-2.03%	-1004	2965	-15.61%	20.51%	0.30	0.96	0.66	2.59%	7.04%	4.45%	
45	OPM	-947	-223	-26.44%	-8.86%	-479	-231	-13.37%	-9.17%	0.17	0.03	-0.13	5.27%	1.15%	-4.12%	
2)	Other	-2955	1264	-15.60%	6.18%	-5350	-284	-28.25%	-1.39%	0.28	0.40	0.13	5.68%	7.82%	2.14%	
D	SBA	-296	-87	-15.85%	-3.49%	-487	-50	-26.08%	-2.01%	0.20	0.43	0.24	3.32%	6.72%	3.40%	
	State	-4	171	-0.16%	18.29%	139	1371	5.52%	146.63%	0.07	0.50	0.43	3.48%	19.39%	15.91%	ĺ
d	Transportation	-675	-10	-13.07%	-0.15%	-730	578	-14.14%	8.78%	0.19	0.34	0.15	3.38%	5.72%	2.34%	ı
	Tanantini	-7574	715	-9.85%	1.83%	16719	20545	21.75%	52.65%	0.07	0.13	0.06	2.77%	5.22%	2.45%	ĺ
0	VA	-1243	834	-1.21%	4.24%	-4447	6244	-4.31%	31.75%	0.01	0.07	0.06	0.74%	4.78%	4.05%	ı
0	ALL						••••••			• • • • • • • • • • • • • • • • • • • •		•••••		• • • • • • • • • • • • • • • • • • • •		
0		-28509	1117	-6.29%	0.41%	-20607	51922	-4.55%	19.14%		0.15	0.11	1.63%		3.69%	
50	AVERAGE	-1500	59	-14.16%	-0.66%	-1085	2733	-12.24%	22.19%	0.20	0.40	0.20	3.56%	7.32%	3.76%	
	MINIMUM	-7630	-1547	-32.89%	-14.97%	-22199	-1435	-47.30%	-11.71%		0.02	-0.19	-2.37%	0.85%	-4.12%	
36	MAXIMUM	7947	1772	16.47%	18.29%	16719	20545	48.22%	146.63%	0.73	0.96	0.66	8.93%	19.39%	15.91%	
е	RANGE	15577	3319	49.37%	33.26%	38918	21980	95.52%	158.34%	0.80	0.94	0.86	11.30%	18.53%	20.03%	
31	STANDARD DEVIATION	3042	726	12.00%	6.64%	7119	5073	23.18%	40.39%	0.20	0.31	0.22	2.68%	4.57%	4.41%	



POSITION MANAGEMENT TOTAL COUNT COMPARISON 81 TO 83 AND 91

	<	MAR	CH 1981		>	<	MAR	CH 1983		>	<	MAI	RCH 1991		
	F	TP	FTF	• 1	RATIO	F	TP	FT	P	RATIO	F	TP	FT	P	RATIO
	EMPLOYME	NT COUNT	EMPLOYMENT	PERCENT	FTP	EMPLOYME	NT COUNT	EMPLOYMENT	PERCENT	FTP	EMPLOYME	NT COUNT	EMPLOYMENT	PERCENT	FTP
	1			1	11-15 TO					11-15 TO					11-15 TO
Agency	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10	1-10	11-15	1-10	11-15	1-10
™ ir Force	86,036	41,445	67.49%	32.51%	0.48	90,908 [46,060	66.37%	33.63%	0.51	77,478	54,396	58.75%	41.25%	0.70
Army	136,407	70,550	65.91%	34.09%	0.52	401.000 000.000	77,183	64.73%	35.27%		126,241	97,853	56.33%	43.67%	0.78
Defense	29,686	22,690	56.68%	43.32%	0.76	30,723	25,496	54.65%	45.35%	0.83	32,997	42,474	43.72%	56.28%	1.29
diavy	90,283	59,808	60.15%	39.85%	0.66	94,929	65,621	59.13%	40.87%	0.69	92,301	95,123	49.25%	50.75%	1.03
JALL DOD	342,412	194,493	63.78%	36.22%	0.57	358,205	214,360	62.56%	37.44%	0.60	329,017	289,846	53.16%	46.84%	0.88
AVERAGE	85,603	48,623	62.56%	37.44%	0.61	89,551	53,590	61.22%	38.78%	0.64	82,254	72,462	52.01%	47.99%	0.95
GLININMUM	29,686	22,690	56.68%	32.51%	0.48	30,723	25,496	54.65%	33.63%	0.51	32,997	42,474	43.72%	41.25%	0.70
MAXIMUM	136,407	70,550	67.49%	43.32%	0.76	141,645	77,183	66.37%	45.35%	0.83	126,241	97,853	58.75%	56.28%	1.29
RANGE	106,721	47,860	10.81%	10.81%	0.28	110,922	51,687	11.72%	11.72%	0.32	93,244	55,379	15.03%	15.03%	0.59
STANDARD DEVIATION	37,848	18,234	4.36%	4.36%	0.11	39,387	19,668	4.65%	4.65%	0.13	33,485	24,413	5.93%	5.93%	0.23

cld:	1	1		1			i	1		1 1		1 1	1	1
	CHANGE % OF CHANGE 1981 TO 1983 1981 TO 1983		ANGE	CHANG	GE	% OF	CHANGE	CHANGE	CHANGE	CHANGE	CHANGE	CHANGE	CHANGE	
70			1981 TO 1983		1981 TO 1991		1981 TO 1991		IN	IN	IN	IN %	IN X	IN %
10					•••••			1	RATIO	RATIO	RATIO	OF 11-15	OF 11-15	OF 11-15
70106650AFF Force	1-10	11-15	1-10	11-15	1-10	11-15	1-10	11-15	81 TO 83	81 TO 91	83 TO 91	81 TO 83	81 TO 91	83 TO 91
50														
Kir Force	4872	4615	5.66%	11.14%	-8558	12951	-9.95%	31.25%	0.02	0.22	0.20	1.12%	8.74%	7.62%
dentity	5238	6633	3.84%	9.40%	-10166	27303	-7.45%	38.70%	0.03	0.26	0.23	1.18%	9.58%	8.39%
efense	1037	2806	3.49%	12.37%	3311	19784	11.15%	87.19%	0.07	0.52	0.46	2.03%	12.96%	10.93%
(Navy 2	4646	5813	5.15%	9.72%	2018	35315	2.24%	59.05%	0.03	0.37	0.34	1.02%	10.91%	9.88%
ALL DOD	15793	19867	4.61%	10.21%	-13395	95353	-3.91%	49.03%	0.03	0.31	0.28	1.21%	10.61%	9.40%
AVERAGE	3716	4685	4.33%	10.97%	-5138	20013	-2.08%	52.38%	0.04	0.33	0.29	1.44%	10.42%	8.98%
MINIMUM	1037	2806	3.49%	9.40%	-10166	12951	-9.95%	31.25%	0.02	0.22	0.20	1.12%	8.74%	7.62%
MAXIMUM	5238	6633	5.66%	12.37%	3311	27303	11.15%	87.19%	0.07	0.52	0.46	2.03%	12.96%	10.93%
RANGE	4201	3827	2.17%	2.96%	13477	14352	21.10%	55.94%	0.04	0.30	0.26	0.91%	4.22%	3.31%
STANDARD DEVIATION	1900	1563	0.95%	1.22%	6010	5861	9.41%	24.80%	0.02	0.13	0.12	0.42%	1.82%	1.41%



				ACTUAL													
	I			CHANGE	RATE OF	GS/GM	GS/GM	ACTUAL	RATE OF	RATIO	RATIO	ACTUAL	RATE OF	AVG GRADE	AVG GRADE	ACTUAL	RATE OF
	I	BULGE	BULGE	3/90-3/91	CHANGE	11-15	11-15	CHANGE	CHANGE	11-15/1-10	11-15/1-10	CHANGE	CHANGE	1-15	1-15	CHANGE	CHANGE
	AGENCY	3/90	3/91	IN % POINTS	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91
	I												1				
i	DEPARTMENT OF THE AIR FORCE	40.77%	41.25%	0.48%	1.18%	59606	54396	-5210	-8.74%	0.68829	0.70208	0.01379	2.00%	8.67382	8.74313	0.06931	0.80%
1	DEPARTMENT OF AGRICULTURE	40.83%	41.20%	0.37%	0.91%	36366	36973	607	1.67%	0.69000	0.70064	0.01064	1.54%	8.94710	9.00744	0.06034	0.67%
1	DEPARTMENT OF THE ARMY	41.62%	43.67%	2.05%	4.92%	100423	97853	-2570	-2.56%	0.71282	0.77513	0.06231	8.74%	8.61249	8.81009	0.19760	2.29%
1	DEPARTMENT OF COMMERCE	55.14%	55.40%	0.26%	0.46%	13639	14156	517	3.79%	1.22929	1.24208	0.01279	1.04%	9.83848	9.86056	0.02208	0.22%
<u>-</u> ا	DEPT OF DEFENSE (EXCLUDING MILIT DEPARTMENTS)	54.34%	56.28%	1.94%	3.56%	35796	42474	6678	18.66%	1.19022	1.28721	0.09699	8.15%	9.44229	9.57140	0.12911	1.37%
, ე	DEPARTMENT OF JUSTICE	42.58%	43.11%	0.53%	1.24%	19916	21941	2025	10.17%	0.74158	0.75768	0.01610	2.17%	9.34948	9.42875	0.07927	0.85%
\succeq	DEPARTMENT OF LABOR	67.28%	68.65%	1.36%	2.02%	10789	10818	29	0.27%	2.05661	2.18944	0.13283	6.46%	10.39682	10.48195	0.08513	0.82%
D i	DEPARTMENT OF ENERGY	67.80%	69.67%	1.87%	2.76%	9578	10411	833	8.70%	2.10552	2.29722	0.19170	9.10%	11.00630	11.15639	0.15009	1.36%.
# 1	DEPARTMENT OF EDUCATION	66.33%	68.61%	2.28%	3.43%	2807	2878	71	2.53%	1.96982	2.18527	0.21545	10.94%	10.64367	10.82527	0.18160	1.71%
9	ENVIRONMENTAL PROTECTION AGENCY	70.63%	72.08%	1.45%	2.06%	9913	10904	991	10.00%	2.40432	2.58144	0.17712	7.37%	10.99822	11.14642	0.14820	1.35%
\geq	GENERAL SERVICES ADMINISTRATION	51.41%	53.56%	2.15%	4.19%	7129	7640	511	7.17%	1.05803	1.15338	0.09535	9.01%	9.40701	9.54347	0.13646	1.45%
	HEALTH & HUMAN SERVICES	36.64%	36.65%	0.02%	0.04%	36672	37428	756	2.06%	0.57819	0.57858	0.00039	0.07%	8.99531	8.96434	-0.03097	-0.34%
	DEPARTMENT OF HOUSING & URBAN DEVELOPMENT	59.08%	60.88%	1.80%	3.05%	7377	7726	349	4.73%	1.44392	1.55641	0.11249	7.79%	9.84431	9.93325	0.08894	0.90%
= '	DEPARTMENT OF THE INTERIOR	49.41%	49.81%	0.40%	0.82%	24495	25019	524	2.14%	0.97656	0.99246	0.01590	1.63%	9.32827	9.36760	0.03933	0.42%
	NATIONAL AERONAUTICS & SPACE ADMINISTRATION	75.13%	76.25%	1.12%	1.49%	16509	17423	914	5.54%	3.02086	3.21043	0.18957	6.28%	11.45431	11.49584	0.04153	0.36%
ᆲ	DEPARTMENT OF THE NAVY	48.36%	50.75%	2.40%	4.96%	94442	95123	681	0.72%	0.93630	1.03057	0.09427	10.07%	9.04398	9.25015	0.20617	2.28%
\sim	OFFICE OF PERSONNEL MANAGEMENT	39.43%	42.43%	3.00%	7.61%	2039	2287	248	12.16%	0.65102	0.73703	0.08601	13.21%	8.43454	8.61651	0.18197	2.16%
$\mathbf{-}$	SMALL BUSINESS ADMINISTRATION	63.38%	63.90%	0.52%	0.82%	2368	2443	75	3.17%	1.73099	1.77029	0.03930	2.27%	10.22002	10.30238	0.08236	0.81%
6	DEPARTMENT OF STATE	43.03%	46.47%	3.45%	8.01%	2095	2306	211	10.07%	0.75523	0.86822	0.11299	14.96%	9.28117	9.59109	0.30992	3.34%
	DEPARTMENT OF TRANSPORTATION	60.78%	61.77%	0.99%	1.63%	6815	7163	348	5.11%	1.54992	1.61584	0.06592	4.25%	10.37861	10.42032	0.04171	0.40%
52	DEPARTMENT OF THE TREASURY	38.40%	38.90%	0.50%	1.30%	56623	59564	2941	5.19%	0.62329	0.63653	0.01324	2.12%	8.30394	8.32050	0.01656	0.20%
<u>'</u>	VETERANS ADMINISTRATION	20.03%	20.80%	0.77%	3.86%	24662	25912	1250	5.07%	0.25044	0.26265	0.01221	4.88%	6.89966	6.96766	0.06800	0.99%



ı	AVG GRADE	AVG GRADE	ACTUAL	RATE OF	MRG/SUP	MRG/SUP	ACTUAL	RATE OF	MRG/SUP	MRG/SUP	ACTUAL	RATE OF	SAG	SAG	ACTUAL	RATE OF
i	11-15	11-15	CHANGE	CHANGE	11-15	11-15	CHANGE	CHANGE	TO ALL	TO ALL	CHANGE	CHANGE	INDEX	INDEX	CHANGE	CHANGE
AGENCY	3/90	3/91	3/90-3/91	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91	3/90	3/91	3/90-3/91	3/90-3/91
i									ĺ			l				3
DEPARTMENT OF THE AIR FORCE	12.02372	12.03965	0.01593	0.13%	0.27195	0.26664	-0.00531	-1.95%	0.07147	0.07073	-0.00074	-1.04%	0.98523	0.98092	-0.00431	-0.44%
DEPARTMENT OF AGRICULTURE	12.08860	12.09767	0.00907	0.08%	0.29118	0.28752	-0.00366	-1.26%	0.09490	0.09539	0.00049	0.52%	0.97601	0.97511	-0.00090	-0.09%
DEPARTMENT OF THE ARMY	12.12067	12.15668	0.03601	0.30%	0.26203	0.27319	0.01116	4.26%	0.07848	0.08705	0.00857	10.92%	0.98513	0.99100	0.00587	0.60%
DEPARTMENT OF COMMERCE	12.66281	12.64149	-0.02132	-0.17%	0.23200	0.22726	-0.00474	-2.04%	0.07383	0.08031	0.00648	8.78%	1.01969	1.01754	-0.00215	-0.21%
T DEPT OF DEFENSE (EXCLUDING MILIT DEPARTMENTS)	12.01944	12.02872	0.00928	0.08%	0.21428	0.21085	-0.00343	-1.60%	0.08589	0.09362	0.00773	9.00%	1.00532	1.00843	0.00311	0.31%
O DEPARTMENT OF JUSTICE	12.43101	12.44086	0.00985	0.08%	0.29539	0.28818	-0.00721	-2.44%	0.11095	0.11100	0.00005	0.05%	1.01963	1.01398	-0.00565	-0.55%
DEPARTMENT OF LABOR	12.43025	12.42004	-0.01021	-0.08%	0.22989	0.22908	-0.00081	-0.35%	0.16563	0.16990	0.00427	2.58%	1.01266	1.00866	-0.00400	-0.39%
DEPARTMENT OF ENERGY	13.01973	13.04726	0.02753	0.21%	0.23241	0.23072	-0.00169	-0.73%	0.14701	0.15115	0.00414	2.82%	1.06480	1.06185	-0.00295	-0.28%
DEPARTMENT OF EDUCATION	12.72569	12.75886	0.03317	0.26%	0.21482	0.20639	-0.00843	-3.92%	0.13830	0.13683	-0.00147	-1.06%	1.05660	1.06072	0.00412	0.39%
ENVIRONMENTAL PROTECTION AGENCY	12.74700	12.80328	0.05628	0.44%	0.22205	0.21175	-0.01030	-4.64%	0.15310	0.14966	-0.00344	-2.25%	1.03189	1.03145	-0.00044	-0.04%
GENERAL SERVICES ADMINISTRATION	12.38645	12.37500	-0.01145	-0.09%	0.30509	0.29280	-0.01229	-4.03%	0.12072	0.12253	0.00181	1.50%	1.03293	1.02470	-0.00823	-0.80%
HEALTH & HUMAN SERVICES	12.49757	12.47467	-0.02290	-0.18%	0.32867	0.33211	0.00344	1.05%	0.11162	0.11193	0.00031	0.28%	1.02041	1.01818	-0.00223	-0.22%
ODEPARTMENT OF HOUSING & URBAN DEVELOPMENT	12.36207	12.36060	-0.00147	-0.01%	0.22692	0.22068	-0.00624	-2.75%	0.14372	0.14534	0.00162	1.13%	1.05353	1.04968	-0.00385	-0.37%
DEPARTMENT OF THE INTERIOR	12.23119	12.23774	0.00655	0.05%	0.28536	0.28546	0.00010	0.04%	0.10441	0.10535	0.00094	0.90%	0.99786	0.99469	-0.00317	-0.32%
MATIONAL AERONAUTICS & SPACE ADMINISTRATION	12.98292	12.98135	-0.00157	-0.01%	0.17905	0.17368	-0.00537	-3.00%	0.13729	0.13550	-0.00179	-1.30%	1.03996	1.03697	-0.00299	-0.29%
DEPARTMENT OF THE NAVY	12.08835	12.10756	0.01921	0.16%	0.21055	0.21961	0.00906	4.30%	0.06493	0.07248	0.00755	11.63%	0.99014	0.99143	0.00129	0.13%
O OFFICE OF PERSONNEL MANAGEMENT	12.46444	12.40009	-0.06435	-0.52%	0.26631	0.25492	-0.01139	-4.28%	0.08720	0.09662	0.00942	10.80%	0.97683	0.97843	0.00160	0.16%
MALL BUSINESS ADMINISTRATION	12.55025	12.56734	0.01709	0.14%	0.25802	0.25870	0.00068	0.26%	0.12181	0.14630	0.02449	20.11%	1.08493	1.07853	-0.00640	-0.59%
DEPARTMENT OF STATE	12.84200	12.78274	-0.05926	-0.46%	0.26613	0.25206	-0.01407	-5.29%	0.03480	0.03672	0.00192	5.52%	1.07907	1.06912	-0.00995	-0.92%
DEPARTMENT OF TRANSPORTATION	12.82098	12.78822	-0.03276	-0.26%	0.22993	0.22965	-0.00028	-0.12%	0.11724	0.12080	0.00356	3.04%	1.05488	1.04514	-0.00974	-0.92%
N DEPARTMENT OF THE TREASURY	12.31916	12.33708	0.01792	0.15%	0.20741	0.20562	-0.00179	-0.86%	0.07367	0.07314	-0.00053	-0.72%	0.99401	0.99166	-0.00235	-0.24%
VETERANS ADMINISTRATION	11.93184	11.93088	-0.00096	-0.01%	0.37968	0.37256	-0.00712	-1.88%	0.03843	0.03879	0.00036	0.94%	0.99424	0.99147	-0.00277	-0.28%



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: JAFFE, JUDITH M., ASSISTANT DIRECTOR, OPM To: AG. ODD: NONE Date Received: 01-21-92 Date Due: NONE Control #: X92012100881 Subject & Date 01-07-92 LETTER (COPY) ENCLOSING A COPY OF THEIR BROCHURE ENTITLED, "GUIDE TO SENIOR EXECUTIVE SERVICE QUALIFICATIONS, " WHICH REPLACES THE ONE PUBLISHED IN 1982. THE BROCHURE DESCRIBES THE MANAGERIAL QUALIFICATIONS THAT HAVE BEEN IDENTIFIED AS CRITICAL TO SUCCESSFUL PERFORMANCE IN A SENIOR EXECUTIVE SERVICE (SES.) POSITION AND ILLUSTRATES HOW BEST TO DOCUMENT THESE QUALIFICATIONS WHEN HOPES THE DEPARTMENT FINDS ** APPLYING FOR AN SES. JOB.

(1) JMD; FLICKINGER 01-21-92 (5) W/IN:
(2) (6)
(3) (7) PRTY:
(4) (8) 1

INTERIM BY: DATE: OPR: Sig. For: JMD Date Released: MAU

Referred To:

Date:

Remarks

Referred To:

** THIS USEFUL, AND WELCOMES ANY COMMENTS.

Date:

INFO CC WITHOUT ENCLOSURE: OAG, DAG.
(1) FOR APPROPRIATE HANDLING, WITH ORIGINAL ENCLOSURE.
NO COPY OF ENCLOSURE RETAINED IN EXEC. SEC.

Other Remarks:

OLA CONTACT: KMM 01-21-92

FILE: OFFICE OF PERSONNEL MANAGEMENT

J920121 212

CROSS REFERENCES:

1. SENIOR EXECUTIVE SERVICE

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





United States Office of Personnel Management

Washington, D.C. 20415

In Reply Refer To:

Your Reference: .

'92 JAN 21 A10:30

DEPARTMENT OF JUSTIC

JAN - 7 1992

EXECUTIVE SECRETARIAL

Dear Colleague:

Enclosed is your copy of our *Guide to Senior Executive Service Qualifications*. This new brochure replaces A *Guide to Executive Qualifications*, published in 1982.

The brochure describes the managerial qualifications that have been identified as critical to successful performance in a Senior Executive Service (SES) position and illustrates how best to document these qualifications when applying for an SES job.

In addition, the new publication explains how individuals are certified for career positions in the SES and the role of OPM's Qualifications Review Board (QRB) in this process.

The *Guide* was designed to help individuals assess, develop, and describe their executive qualifications. The brochure also should be of interest to personnel and executive development specialists, members of agency Executive Resources Boards, and executives serving on OPM's weekly QRB's.

If you would like additional copies of the *Guide*, please check with your printing staff to determine whether your agency uses the OPM printing requisition ("rider") process. If you have questions, please contact Tierney Bates at 202-606-2218.

We hope you find this brochure useful and, as always, we welcome your comments.

Sincerely,

Judith M. Jaffe 🥖 Assistant Director

Office of Executive and Management Policy

Human Resources Development Group

Enclosure



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Activity Area IV—Acquisition and Administration of Financial and Material Resources
Activity Area V — Utilization of Human Resources
Activity Area VI—Review of Implementation and Results

UNITED TATES
OF PERSONNEL MANAGEMENT.

WASHINGTON, DC 204169

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JUSTICE, DEP ATTY GEN
RM 4111
10TH ST & CONSTITUTION NW
WASHINGTON DC 20530-0001

FIRS

A MUST

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM

To: HEADS OF DEPTS. AND INDEPENDENT AGENCIES (AG.) ODD: NONE

Date Received: 01-16-92 Date Due: NONE Control #: X92011600748

Subject & Date

01-10-92 MEMO ADVISING THAT THE OFFICE OF PERSONNEL MANAGE-MENT (OPM) IS INITIATING A SERIES OF POLICY ACTIONS TO STRENGTHEN HUMAN RESOURCES DEVELOPMENT IN THE FEDERAL GOVT. ATTACHES THE OPM ACTION PLAN FOR HUMAN RESOURCES DEVELOPMENT INITIATIVES WHICH PROVIDES A BROAD PICTURE OF THE ACTIONS THEY ARE TAKING TO ISSUE NEW POLICIES AND PROGRAMS. ASKS FOR EACH AGENCY'S CONTINUED SUPPORT TO ENSURE SUCCESS OF THESE POLICY INITIATIVES.

Referred To: Referred To: Date: Date: JMD; FLICKINGER 01-16-92 (5)W/IN: (1)(2)(6)(3)(7)PRTY: (4) (8)1 DATE: OPR: INTERIM BY: MAU Date Released: Sig. For: JMD

Remarks

INFO CC: OAG, DAG, OLA.

(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: KMM 01-16-92

FILE: OFFICE OF PERSONNEL MANAGEMENT

J920116 175

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OFFICE OF THE DIRECTOR

UNITED STATES

OFFICE OF PERSONNEL MANAGEMENT



WASHINGTON, D.C. 20415

*92 JAN 16 A10:54 JAN 1 0 1992 EXECUTIVE STORES OF

MEMORANDUM FOR HEADS OF DEPARTMENTS AND

INDEPENDENT AGENCIES

inderendent Agendies

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

HUMAN RESOURCES DEVELOPMENT POLICY INITIATIVES

I am pleased to announce that the Office of Personnel Management (OPM) is initiating a series of policy actions to strengthen human resources development in the Federal Government. We must look at training and developing employees as a necessary investment in human resources. Improving the skill and capacity of our workforce will enhance productivity and help to ensure quality service to the American public. I am asking for your continued support to ensure success of these policy initiatives.

OPM has been engaged in extensive discussion of human resources development issues since December 1990. While there was not total agreement on each proposal, there has been uniformly strong support for OPM leadership and action in this area. The attached OPM Action Plan for Human Resources Development Initiatives provides a broad picture of the actions we are taking to issue new policies and programs. Summarizing briefly, we plan to develop:

- 1. Regulations that will require agencies to:
 - o conduct systematic needs analysis as the basis for training decisions;
 - o establish comprehensive orientation programs for new employees; and
 - o eliminate the 3-year limitation for non-competitive appointment to SES candidate development program graduates.
- 2. Federal Personnel Manual (FPM) and other guidance and assistance actions to promote systematic career development of the Federal workforce in general and of our executives, managers and supervisors in particular.
- 3. Legislation to allow agencies selectively to pay for employee memberships in professional associations.



Our staff members have put considerable effort into discussing these policy issues around the country, and we are especially pleased with the enthusiasm with which the proposed policies were received. The action plan we have developed represents but a small part of the effort. The more important actions are with your organization. This will become more clear with policy implementation. We look forward to working with your agencies in this significant endeavor to strengthen the Federal workforce and to be prepared to meet the challenges of the future.

Attachment



HUMAN RESOURCES DEVELOPMENT INITIATIVES

AN OPM ACTION PLAN

Part A: Events in the Career Development of An Employee

1. New Employee Orientation: This initiative calls for a Governmentwide requirement that all Federal employees receive a comprehensive orientation at the beginning of their careers. What we envision goes beyond the standard personnel orientation to cover what it means to serve the American public: the role and mission of the Federal Government and the employee's agency; the culture, norms and values of the agency; and how to succeed in a Federal career. Agencies will decide on the content and design of their programs. OPM will establish a baseline standard and provide models of effective orientation strategies taken from both the public and private sectors.

There is a growing body of evidence that the attention paid to new employees at the initial stages of their careers has a significant effect on retention rates and employee commitment levels. For example, in its 1989 special study of employee retention, the Merit Systems Protection Board (MSPB) reported that 25-30% of all attrition occurs within the first year of employment. Exit interviews reflected a direct relationship to agency practice in acculturating the new hire.

This proposed initiative received widespread written support from responding agencies. No significant opposition was voiced during the numerous oral briefings we conducted.

<u>OPM Action</u>: OPM is preparing **regulatory language** that requires all agencies to provide for systematic, planned and timely orientation programs for new employees. The regulations will allow a flexible response by each agency in designing and managing their programs. In addition, OPM will provide FPM guidance, successful models (best practices), and technical assistance to agencies to ensure cost-effective implementation. This will include a generic module (e.g., OPM-produced videotape) depicting the mission, values and ethic of public service.



2. Probationary Period Training for New Employees: This initiative extends the above rationale for the new employee orientation initiative to job-related knowledges (e.g., technical, procedural, etc.) needed to perform successfully in the employee's career. There are currently no Governmentwide requirements for agencies to analyze the performance needs of those entering the workforce and to plan systematic learning experiences to meet those needs. This proposal envisions job-related skills training taking place during the employee's first year (i.e., probationary period) as an extension of the examination and selection process.

Again, recent research strongly links this period and what occurs during it to retention, commitment and performance levels. Indeed, the career path philosophy that undergirds the entire policy matrix presumes systematic needs analysis and planned learning at each critical stage in the process. Job-related skills training does not necessarily mean formal classroom programs, and would certainly involve relatively low-cost options such as structured on-the-job training (OJT), independent study, apprenticeships, and rotational assignments.

Most agency responses supported this proposal but there is a sense that formal requirements in this area should be kept to a minimum. Agencies prefer OPM guidance in this area.

OPM Action: OPM will provide **FPM guidance** that encourages agency heads to 1) identify the job-related skills and knowledges needed for major agency career occupations and 2) ensure that training in these skills and knowledges is provided, as necessary, to increase the likelihood of successful performance by employees during their first year on the job. OPM will also provide model programs and technical assistance to support agency efforts.

3. <u>Basic Skills and Literacy Training</u>: This proposal calls for more extensive guidance and support to the agencies in addressing basic skill deficiencies of the workforce (e.g., reading comprehension, numeracy skills, etc.) No regulation or legislative change is envisioned at this point, but rather explicit guidance will be included in the FPM. In addition, OPM will provide model assessment instruments and technical assistance for use by agencies as part of the "skills clinics" referenced in the President's "America 2000" education initiative.

All responses indicated strong support for more aggressive leadership by OPM in this critical area.



OPM Action: OPM will provide **FPM guidance** to promote a consistent approach to the sensitive issues of basic skills development and remedial training. We will identify the features of successful programs, including assessment instruments that play an integral role in the prescription of individualized/customized training curricula. OPM will also launch an aggressive training initiative through the Federal Executive Boards and our OPM Regional Offices in the area of "Workplace Basics."

4. Continuing Technical/Professional Education and Training: This proposal calls for setting Governmentwide standards for key occupational groups. Continuing education for the career workforce has widespread support and is practiced extensively in the private sector for State-regulated professions. Successful organizations recognize a need to invest continually in enhancing the skills and knowledges of the incumbent workforce to match the continuing developments and changes in occupational requirements. Demographic trends (e.g., mid-career compaction) strongly suggest that such things as the opportunity for continuing development will become more critical as a workforce motivator in the coming years. If the Federal Government is to stay competitive in the talent market, it will need to look to motivators such as these as part of its overall recruitment/retention strategy.

This proposal received mixed reactions with fairly strong opposition to mandating any minimum hourly requirements for specific occupations (e.g., lawyers, accountants, auditors, etc.) The consensus appeared to be that OPM should not prescribe specific Governmentwide requirements.

OPM Action: OPM will provide **FPM guidance** that calls for 1) periodic assessments by agency heads of the changing training needs of their major occupational groups and 2) regular training opportunities designed to meet those needs. OPM will also work with key stakeholder groups (e.g., professional associations, the President's Council for Integrity and Efficiency (PCIE), the CFO Council, etc.) to ensure that employees who are members of professions which require periodic recertification receive training comparable to their colleagues in the private sector.

5. Retraining for Occupational Changes: This is a variation on the continuing education proposal above but focuses on pervasive shifts in the agency work environment caused by such factors as technological transformation, base closures, etc. This initiative proposes that we issue more extensive FPM guidance on strategies for dealing with these situations, including



approaches that have worked successfully in the past and resources agencies can call on to plan these interventions effectively.

All those organizations responding in writing and comments heard at the numerous public briefings strongly supported this initiative.

<u>OPM Action</u>: OPM will provide **FPM guidance** and showcase successful retraining programs in Government and the private sector.

6. Participation in Professional Associations: This initiative follows the spirit of the continuing education theme. OPM plans to sponsor legislation that would authorize agencies, at their discretion, to provide for the cost of individual memberships of Federal employees in professional societies and organizations. Such memberships are now prohibited by law. This legislation would enable agencies to assist employees in their continuing professional development and could also serve as a recruitment/retention incentive, particularly in shortage and critical skill occupations. The proposal would only permit -- not require -- the use of the authority.

Most responses agreed with our proposed initiative, but there was a strong sense that precisely defined constraints or criteria would be needed in the implementing regulations to avoid abuse.

<u>OPM Action</u>: In consultation with the Office of Government Ethics, OPM will develop a **legislative initiative** that would eliminate the current prohibition and allow agencies to determine their own policies on underwriting the cost of individual memberships in professional associations.

7. <u>Academic Degree Training</u>: This initiative was made law by last year's Defense Authorization Act. Proposed rules have been published in the Federal Register and the final regulations should be published in the immediate future. The overwhelming majority of agencies commenting supported this initiative.

<u>OPM Action</u>: OPM will publish the **final regulations** and prepare FPM guidance on agency use of the authority. Further, OPM is supporting legislation that has been introduced to establish a Public Service Scholarship Program.



Part B: Supervisory, Managerial, and Executive Development

Candidate Development Programs: Our HRD policy matrix proposal called 8. for OPM regulations authorizing supervisory, management and SES candidate development programs and setting standards for such programs. Identifying and preparing high potential employees to assume supervisory, managerial, and executive positions is the objective of candidate These programs, which can be an effective development programs. component of managerial succession planning, also serve as a means to improve representation of minorities, women and Americans with disabilities who have not had the opportunity to demonstrate supervisory, managerial, and executive competencies. Several agencies administer excellent candidate development programs and have found them to be excellent vehicles for turning specialists into supervisors (i.e., making the transition to a second profession). These programs also enable candidates the chance to opt out of such career changes before final selection if supervisory or management positions are determined not to be preferable.

Current regulations (5 CFR Part 412) provide that agencies with positions in the Senior Executive Service must establish and maintain programs for the systematic development of candidates for the SES. Even so, many agencies with SES employees do not have formal candidate development programs. There have been some good reasons for this. In particular, these programs tend to raise the expectations of participants when sufficient SES vacancies may not occur. When agencies do run candidate programs, quality is critical since program graduates generally acquire noncompetitive placement eligibility. However, OPM's regulations limit this eligibility to 3 years after completing the program. There is a general sense that the time limit should be eliminated as long as there is documented evidence that the individual continues to participate in developmental activities or the periodic updating of skills.

Agencies responded favorably to candidate development programs, but expressed some concern about them being mandatory rather than optional. Several agencies suggested that OPM should offer interagency supervisory candidate development programs similar to some of its existing long-term programs.

<u>OPM Action</u>: OPM will **revise the regulatory language** to extend eligibility for noncompetitive appointment of program graduates under prescribed conditions. We will also **develop regulatory language** extending the requirement for candidate programs to the supervisory, managerial levels. OPM will develop FPM guidance delineating standards for candidate



development programs at all levels and provide information on model programs. We will also provide guidance on the adequacy of developmental activities to extend eligibility for noncompetitive appointment to graduates of SES candidate development programs.

9. Training Requirements for New Supervisors and Managers: The policy matrix included proposals for OPM regulations requiring (1) that new supervisors receive 40 hours of formal training within the first 6 months of appointment and 40 additional hours within the first 2 years; (2) that new managers who have previously completed the supervisory probationary period (and who have received the required supervisory training) receive 40 hours of formal training within the first 6 months of appointment; and (3) that new managers who are also in their first supervisory position satisfy the training requirements for new supervisors. The required training would be based on managerial competencies established by OPM, and on needs assessment, either through informal discussion or the use of structured instruments such as OPM's Management Excellence Inventory (MEI).

The transition from specialist to supervisor and/or manager is a crucial point in an employee's career, and is critical as well to the successful management of organizations. OPM's Task Force on Executive and Management Development noted in 1990 that when OPM had specific requirements (i.e., numbers of hours) for supervisory training, they were "helpful both in enabling agencies to establish supervisory training programs and in obtaining and justifying needed resources for those programs." In the absence of current OPM requirements, some agencies still continue to provide effective and systematic supervisory training. Others, however, have had difficulty in finding the resources needed to do the job. Our proposal would have re-established an OPM requirement and specific guidance on executive and management competencies that would need to be addressed in content and coverage of the basic supervisory training program.

While there was strong consensus that all new supervisors and managers need training, there was considerable disagreement about how far OPM should go in mandating such training. Particular concerns were expressed about requirements on the length rather than the content of training, on record-keeping, and on the possibility of OPM requiring **less training** than some agencies currently provide.



Agencies were also particularly interested in training needs assessments. Some agencies made it clear that without specific OPM requirements, very little would be done to improve or expand supervisory and management training.

<u>OPM Action</u>: OPM will prepare **FPM guidance** identifying the competencies to be addressed in training new supervisors and managers. The guidance also will suggest the form and content of training that addresses those competencies. We will include strong recommendations on the amount and timing of initial supervisory and management training. OPM will closely monitor agency programs to ensure that training needs of new supervisors and managers are being met and, after a year of experience with the new guidance, will reconsider the need to develop regulations setting minimum training requirements.

10. Development of Incumbent Supervisors and Managers: The matrix proposed OPM regulations requiring 40 hours of training every 2 years for incumbent supervisors and 80 hours of training for incumbent managers. This training should be tailored to the needs of the individual supervisor or manager based on a training needs assessment and/or career planning discussion. It should be designed to result in the mastery of supervisory or management skills and values. The policy proposal also encouraged the use of developmental experiences (details, rotational assignments, task forces, etc.) which broaden the incumbent's perspective and knowledge of agency operations.

As with the issue of training for new supervisors, there is general agreement that incumbent supervisors and managers have a need for continuing training. There is concern, on the one hand, about specific OPM requirements in this area and, on the other, about the absence of specific OPM regulations.

<u>OPM Action</u>: OPM will prepare **FPM guidance** on continuing training for incumbent supervisors and managers, including guidance on development programs to supplement formal training. We will also provide models for supervisory and management training and development programs, focusing especially on core curriculum, needs assessment instruments and career planning discussions and counselling. OPM will closely monitor agency actions in response to this guidance and will consider whether additional regulatory action is needed.



11. <u>Supervisory Probationary Period</u>: This initiative involves OPM regulations setting specific requirements for the supervisory/managerial probationary period, including certification of supervisory competence before permanent appointment as a supervisor.

Although there was little coverage of this item in our discussions on the policy matrix, there appears to be considerable confusion about OPM's requirements with respect to supervisory/managerial probationary periods.

<u>OPM Action</u>: OPM will **identify issues and develop recommendations** relating to supervisory training and competency requirements during the probationary period. We will consult with agencies before taking action on those findings.

New and Incumbent Executives: Proposals for development of senior 12. executives included requirements for specific amounts and types of training for both new and incumbent executives. This is based on the belief that continuing development of executives is important to the Government's effectiveness and to individual growth. Indeed, a requirement for continuing development of senior executives has been part of OPM's regulations since the inception of the SES. The need is reinforced by the new requirements for SES recertification which include "developmental activities" as one of the factors used in measuring the "level of excellence expected of a senior executive." Training for new executives should be directed in part at common or core elements of leadership, such as that provided by the Federal Executive Institute and other proven, high-quality executive training programs. Training and development activities for incumbent executives should be based on an assessment of individual needs, should address executive competencies as well as the need to remain current on Government issues and initiatives, and should involve both formal training opportunities and developmental experiences (e.g., interagency experiences, sabbaticals, etc.).

Agencies commented favorably on the importance of training and development for executives, but were concerned about the extensive amounts of training that would be required by the matrix proposals. Others suggested that OPM should not regulate specific requirements in this area.

OPM Action: OPM will retain its regulation requiring programs for the continuing development of senior executives but will not prescribe the details of such programs. Instead, we will provide FPM guidance on the importance of executive training and development. We will also provide



guidance on the competencies needed by senior executives to perform successfully, on the tools available to measure those competencies, and on training and development approaches for addressing them.

Part C: Agency Management of Training and Development Policies and Programs

13. Training Needs Assessment: This initiative called for a regulation that would require agencies "to put in place policies/procedures for comprehensive needs assessments" linked to desired levels of employee performance. Agency practice varies dramatically on how needs are identified. Governmentwide baselines or standards have never been established. Some agencies have very sophisticated needs assessment processes, while many others do not. The purpose of the regulation and the models/best practices material OPM would provide would be to ensure that the resources committed to training in agencies relate directly to agency mission and performance priorities.

Responses regarding this initiative were all positive, but cautioned that assessments should have a positive focus rather than emphasizing performance deficiencies. However, OPM feels very strongly that training needs assessments serve as the most legitimate basis for training and development within the agencies.

<u>OPM Action</u>: OPM will prepare **regulations** to establish a broad requirement that agencies have a systematic approach to training needs assessments in their organizations. The regulation will be general enough to allow agencies to adopt processes that best meet their own needs. We will develop FPM guidance which provides more detailed instructions on how to implement needs assessment programs. We will also provide extensive technical assistance in Instructional Systems Design (ISD), organizational surveys and data analyses.

14. <u>Financial Commitment to HRD</u>: This initiative seeks to effect a dramatic change in the way training costs are treated in the budgetary formulation, execution and accounting process. For a number of years, many forward-looking private sector organizations have been reclassifying the way they reflect training costs on their "books," often moving them off the profit-and-loss statement (i.e., expensing them) and onto the balance sheet as a capital asset (i.e., investment). If a similar approach could be adopted in agency accounting systems, it would go a long way toward getting line and staff managers to see training costs as a long-term investment rather than an expense to be written-off in the current year.



Although the agency responses were extremely supportive of the concept, a fair amount of skepticism was expressed about the ability of the Government to make what is seen as a rather radical shift in budgetary and accounting practice, i.e., amortizing training costs over the period of expected benefits.

When this proposal was presented to the President's Council on Management Improvement (PCMI) in January 1991, it was well received. One official called it innovative and even proposed a variation that would have OMB guidelines build training dollars into the assumed "cost of an FTE" as we do with space, benefits, etc. The PCMI Chairman agreed to look at the issue further.

<u>OPM Action</u>: **OPM will propose to PCMI to take a closer look at the issue**, perhaps assigning it to a small group of PCMI members augmented by other agency representatives. The results of their deliberations would at least start a dialogue that might lead to some useful outcomes.

15. <u>Career Paths/Career Ladders by Occupation</u>: This proposal foresees a much clearer articulation by agencies of the progressive steps that an employee would take from initial entry through journey- and senior-levels in the major occupations in their organizations. In addition, it sees more widespread use of certification procedures designed to professionalize occupations (e.g., the acquisitions field in DOD) and linkages between occupations at different levels (skill transferability, career lattices).

All agencies that responded to this initiative were positive and appear to believe that much more can be done in this area.

<u>OPM Action</u>: OPM will develop **FPM guidance** on how to identify and develop career path/occupational lattices and continue supporting initiatives to assist agencies' moves toward occupational planning and design. We will provide technical assistance in the use of Instructional Systems Design methods in the development of training to support career paths and ladders.

16. Capacity of Human Resources Development Staffs: This initiative highlighted a need for agencies to build greater capacity in their training staffs to meet the human resource challenges of the 1990's. In particular, as OPM adopts new HRD policies and programs, Federal training personnel will be called on to play a more integrated role in their planning and implementation. There is concern that the quality of HRD staffs in the



agencies needs to be elevated significantly if agency line management is to receive the type of assistance it needs to design and deliver effective training programs. New approaches such as technology-based delivery systems and diagnostic and adaptive testing will require new knowledges and skills for HRD professionals.

Again, all agencies responding saw a real need to strengthen their employee development staffs. The importance of certification and credentialing of HRD professionals was mentioned in several responses.

OPM Action: OPM will develop (1) a model career path for the HRD profession in Government and (2) a comprehensive developmental program from entry in the field through continuing education, including certification of competency throughout the process. This will entail a model curriculum that will provide training and development for the generic competencies needed along the way.

17. Role of Agency Executive Resources Boards: This proposal envisioned OPM regulations requiring agency ERB's to develop and oversee the training and development programs for executives, managers, and supervisors. That responsibility would specifically encompass the development of agency specific competency-based training models: model career paths; career tracking systems; evaluation; and a system to monitor completion of required training.

In agencies that are undertaking succession planning, the ERB's are actively involved with the development of subordinate managers and supervisors. They have taken active interest in defining career paths that lead to executive positions in order to know the kinds of training and development that is needed along the way. Under current OPM regulations (5 CFR Part 412), ERB's have overall responsibility for management development in their agencies. It makes sense that they should take a stronger leadership role.

There was general support for ERB involvement in managerial development and succession planning at all levels of the organization. There was concern, however, about OPM mandating detailed tracking requirements and the degree of ERB involvement in program operations.

<u>OPM Action</u>: OPM will develop **FPM guidance** that describes ways in which ERB's can better guide and evaluate executive, management, and supervisory development in their agencies.



Part D: Research and Information Support to Policy and Program

18. HRD Research Agenda: The policy matrix acknowledged that OPM has not been sufficiently proactive in supporting and sponsoring applied HRD research. Among the key areas of concern where OPM attention has been lacking are: ensuring the cost-effectiveness (Return-on-Investment) of training; developing and using new training technologies; and addressing the problems of workplace literacy.

Agencies have shown strong support for more aggressive OPM activity in these areas.

<u>OPM Action</u>: OPM is developing a **national research HRD agenda** which supports new policy and program initiatives, including specifically the President's Education Initiative, "America 2000." We will also sponsor research and demonstration projects which focus on the development and testing of practical, useable Return-on-Investment models. These models can be used by agencies to document training as investments in quality and productivity.

19. <u>HRD Clearinghouse</u>: This proposal recognized that OPM can play a pivotal role in the collection and dissemination of information on HRD systems, methodologies, and programs. This is consistent with OPM's leadership role in HRD and should result in greater efficiency in training and development in Government by avoiding unnecessary duplication of effort.

Agency comments indicated that they are looking to OPM to provide leadership in the HRD arena. Frequently, they are unaware of available training opportunities and alternative methodologies and technologies for developing and delivering training programs.

OPM Action: OPM will continue its work to **establish and maintain a clearinghouse** to exchange information about best practices, innovations in technology, and available training resources. All clearinghouse activities will be designed to promote sharing of resources, cost-effective development and delivery of programs, and excellence and innovation in HRD throughout Government. Electronic technologies will be used extensively to gather and share information. OPM will also continue its efforts to revitalize and expand relationships with interagency groups such as the Interagency Advisory Group's Committee on Training and Development (CODAT), Federal Executive Boards, professional associations, and the academic community. We will sponsor workshops, conferences and briefings which support new HRD policy and program initiatives.



20. <u>Annual Reporting System on HRD Activities</u>: This proposal recognized that there are significant weaknesses in OPM's current system of collecting and reporting Governmentwide training data. The data collection system does not capture a significant portion of training data and the resulting report is not published in a timely manner. It is also administratively burdensome for some agencies to collect the data.

Agencies indicated that, despite these shortcomings, they use the report to analyze and compare their HRD programs to other agencies and to Governmentwide norms. They strongly believe OPM should continue to collect data and report on HRD activities.

<u>OPM Action</u>: OPM is **redesigning the annual report** on Governmentwide HRD activity to provide more comprehensive and complete data on Federal training and development issues. The data will be collected and disseminated using electronic processes to improve timeliness.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM HEADS OF DEPARTMENTS & AGENCIES (AG.) ODD: NONE Date Received: 01-29-92 Date Due: NONE Control #: X92012901422 Subject & Date 01-24-92 MEMO REGARDING SPECIAL SOLICITATIONS FOR CHILD CARE CENTERS LOCATED AT FEDERAL INSTALLATIONS. SOME CHILD CARE CENTERS HAVE REQUESTED PERMISSION TO CONDUCT ADDITIONAL CHARITABLE FUNDRAISING EFFORTS OUTSIDE OF THE COMBINED FEDERAL CAMPAIGN (CFC). WHILE CFC REGULATIONS LIMIT FUND-RAISING IN THE FEDERAL WORKPLACE TO THE ANNUAL CFC, THERE IS AN EXCEPTION TO THIS LIMITATION ON SOLICITATIONS THAT APPLIES TO CHILD CARE CENTERS. IN CONFORMITY WITH OPM'S ** Referred To: Date: Referred To: (5)(1)JMD; FLICKINGER 01-29-92 W/IN: (2)(6) (3)(7)PRTY: (4)(8)1 OPR: INTERIM BY: DATE: EHZ Sig. For: Date Released: JMD

Remarks

** LONGSTANDING POSITION THAT OTHER CHARITABLE SOLICIATIONS SHOULD NOT BE CONDUCTED DURING THE CFC, OPM REQUESTS THAT SUCH SOLICITATIONS NOT TAKE PLACE DURING THE FALL OF EACH YEAR WHEN THE LOCAL CFC IS IN PROGRESS. INFO CC: OAG, DAG.

FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: KMM 01-30-92

FILE: OFFICE OF PERSONNEL MANAGEMENT

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

PECENTED DEPARTMENT OF JUSTICE

'92 JAN 29 A10:51

JAN 24 1992

EVECUTIVE SECRETARIAL

MEMORANDUM FOR MEADS OF DEPARTMENTS AND AGENCIES
FROM: CONSTANCE BERRY NEWMAN

SUBJECT:

Special Solicitations for Child Care Centers

Located at Federal Installations

Because the Federal Government has recognized the importance of appropriate child care benefit programs, many child care centers have been established at Federal installations. These centers provide accessibility to child care to increasing numbers of Federal employees. However, many child care facilities are now faced with the dilemma of how to maintain quality care at an affordable price.

Accordingly, many centers have applied for and received eligibility in the Combined Federal Campaign (CFC). However, some have requested permission to conduct additional charitable fundraising efforts outside of the CFC.

While Section 950.102 of the CFC regulations at 5 CFR Part 950 limits fundraising in the Federal workplace to the annual CFC, there is an exception to this limitation on solicitations that applies to child care centers. Section 7 of Executive Order 12353 (as amended) allows "solicitations conducted by organizations composed of civilian employees or members of the uniformed services among their own members for organizational support or for the benefit of welfare funds for their members. Such solicitations shall be conducted under the policies and procedures approved by the head of the Department or agency concerned. "

We have determined that child care centers located at Federal installations fall within this exception and, therefore, may conduct special solicitations on their behalf under the policies and procedures approved by the head of the Department or agency concerned. In undertaking such a solicitation, the Department or agency's standards of conduct and any restrictions of the Office of Government Ethics regarding fundraising should be reviewed carefully. Nothing in this memorandum is intended to limit the



opportunities for child care centers to seek support from non-Federal sources, from Federal employees outside the workplace, or to limit the opportunity for a Federal employee in a private capacity to support the centers.

In conformity with the Office of Personnel Management's longstanding position that other charitable solicitations should not be conducted during the CFC, we are requesting that such solicitations not take place during the fall of each year when the local CFC's are in progress.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM HEADS OF EXEC. DEPTS. & AGENCIES (AG.) ODD: NONE Date Received: 02-05-92 Control #: X92020501967 Date Due: NONE Subject & Date 01-30-92 MEMO REFERRING TO A MEMO DATED JANUARY 6, 1992, IN WHICH OPM PROVIDED EACH AGENCY WITH AN OPPORTUNITY TO SUBMIT A REQUEST TO EXTEND INTERIM GEOGRAPHIC ADJUSTMENTS TO EMPLOYEES IN CERTAIN CATEGORIES OF POSITIONS. OPM RECEIVED REQUESTS INVOLVING LESS THAN 40 PERCENT OF THE TOTAL NUMBER OF EMPLOYEES IN THESE CATEGORIES OF POSITIONS IN THE NEW YORK, LOS ANGELES AND SAN FRANCISCO AREAS. GIVEN THE NATURE OF THE RESPONSE, THEY DO NOT BELIEVE IT WOULD BE ** Referred To: Referred To: Date: JMD; FLICKINGER 02-05-92 (5)W/IN: (1)(2) (6) (3)(7)PRTY: (4)(8)1 INTERIM BY: DATE: OPR: Date Released: EHZ Sig. For: JMD

Remarks

** APPROPRIATE TO EXERCISE OPM'S AUTHORITY TO EXTEND INTERIM GEOGRAPHICAL ADJUSTMENTS TO EMPLOYEES IN THESE CATEGORIES. (SEE E.S. 92010700197 CONTROL SHEET ATTACHED.) INFO CC: OAG, DAG.

(1) FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ANY ACTION TAKEN.

Other Remarks:

KMM 02-06-92

FILE: OFFICE OF PERSONNEL MAMAGEMENT

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OFFICE OF THE DIRECTOR

UNITED STATES

OFFICE OF PERSONNEL MANAGEMENT

RECEIVED
DEPARTMENT OF JUSTIME

WASHINGTON, D.C. 20415

January 30, 1992

'92 FEB -5 P2:06

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES CRETARIA!

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

Extending Interim Geographic Adjustments

to Employees Not Otherwise Covered

In a memorandum dated January 6, 1992, the Office of Personnel Management provided each Executive agency with an opportunity to submit a request to OPM by January 17, 1992, to extend interim geographic adjustments to employees in certain categories of positions, including Senior Executive Service (SES), senior-level (SL) and scientific or professional (ST), and administrative law judge positions, as well as members of Boards of Contract Appeals. That memorandum also expressed our view that it was important to consult with all agencies having employees in these Governmentwide pay systems to determine whether it would be appropriate to exercise OPM's authority under Executive Order 12786.

OPM received requests involving less than 40 percent of the total number of employees in these categories of positions in the New York, Los Angeles, and San Francisco Consolidated Metropolitan Statistical Areas. A number of major agencies have advised OPM that they are not experiencing recruitment and retention problems in these three areas and do not see a need to request any additional increase, particularly in light of the substantial increases that were granted last year. In the absence of a request by the head of the employing agency, the law does not permit extension of such payments to employees in any additional category of positions.

Given the nature of the response, we do not believe it would be appropriate to exercise OPM's authority to extend interim geographic adjustments to employees in the categories listed above. To do so would result in serious inequities among employees covered by the same pay system in the same geographic location, but in different agencies.

Thank you for your prompt response to our request for your views on this matter.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM From: AG. ODD: NONE To: Date Received: Control #: X92021102258 02-10-92 Date Due: NONE Subject & Date 02-04-92 LETTER REGARDING THE FEDERAL EXECUTIVE BOARDS (FEB's) WHICH WERE ESTABLISHED BY DIRECTION OF THE THE FEB'S PROVIDE A FORUM FOR THE EXCHANGE OF INFORMATION BETWEEN WASHINGTON AND THE FIELD, AS WELL AS AMONG AGENCIES IN THE METROPOLITAN AREA, ABOUT PROGRAMS, MANAGEMENT METHODS, AND CURRENT ISSUES. URGES THE AG TO COMMUNICATE TO DOJ FIELD OFFICIALS THE IMPORTANCE OF THEIR PARTICIPATION AND SUPPORT OF THE ACTIVITIES OF THE BOARDS. * Referred To: Referred To: Date: Date: JMD; FLICKINGER 02-11-92 (1)(5)W/IN: (6)(2)(7)PRTY: (3)(4)(8)1 INTERIM BY: DATE: OPR: Sig. For: JMD Date Released: HBR Remarks * ENCLOSES A COPY OF A MESSAGE FROM PRESIDENT BUSH RECOGNIZING THE 30th ANNIVERSARY OF THE FEB's. INFO CC: OAG, DAG. (1)FOR APPROPRIATE HANDLING. ADVISE EXEC. SEC. OF ACTION TAKEN.

Other Remarks:

OLA CONTACT: KMM 02-11-92 PILE: OFFICE OF PERSONNEL MANAGEMENT J920211 511

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UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

RECEIVED DEPARTMEN OF JUSTIME

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LIECUTIVE SECRETARIAL

February 4, 1992

Honorable William P. Barr Attorney General Washington, DC 20530

Dear Mr. Attorney General:

As we all know, Federal officials outside of Washington are the Government's principal day-to-day contact with the citizens of this country and coordinate Federal programs with other phases of our national life. This important responsibility requires the cooperation and coordination of Federal agencies nationwide.

Federal Executive Boards (FEB's) were created in 1961 for this very purpose. Established by direction of the President to strengthen the management and administration of Federal activities in selected metropolitan centers, FEB's are composed of representatives of Federal agencies in their communities. Local agency heads serve on the FEB and collectively act as a board of directors to promote Governmentwide management improvement opportunities and interagency cooperation with an objective of improved coordination and cost reduction.

The FEB's provide a forum for the exchange of information between Washington and the field, as well as among agencies in the metropolitan area, about programs, management methods, and current issues. They develop local coordinated approaches to the development and operation of programs that have common characteristics, as well as communicate management initiatives and other concerns from Washington to the field to achieve better mutual understanding and support. The FEB's also share technical knowledge and resources in such areas as finance, internal auditing, personnel management, information management, and facilities planning. In addition, the Boards encourage employee initiative and better performance through special recognition and other incentive programs.

Currently, there are 27 Boards, located in major metropolitan areas across the country, performing valuable functions that benefit all Americans. I have enclosed a copy of a message from President Bush recognizing the 30th anniversary of the FEB's. The President's message emphasizes the valuable contribution that Federal employees make, together with the FEB's, to the welfare of the American people and to the better management of our Government.



The success of each Board's activities depends on the commitment of its members, the local department/agency/installation officials, as well as support and encouragement from headquarters offices. I urge you to communicate to your field officials the importance of their personal participation and support of the activities of the Boards. In these times of doing more with less, it is critical that we make the most of the resources we have, and the Federal Executive Boards are an excellent tool for accomplishing this objective.

Thank you for your assistance.

Sincerely,

Constance Berry Newman

Director

Enclosures

THE WHITE HOUSE WASHINGTON

October 25, 1991

I am delighted to extend greetings to all of the Federal employees who are celebrating the 30th anniversary of the Federal Executive Boards.

America depends on hundreds of thousands of Federal employees, many of whom work outside of Washington, to help keep this country free, strong, and prosperous. Men and women in the field represent the government with distinction as they deliver a variety of services that are vital to their communities and to our way of life. Federal employees across the Nation also play an important role in monitoring the pulse of public opinion in this country, which helps policy-makers and other officials in our Nation's Capital to be more responsive to the concerns of citizens.

By bringing Federal employees together, the Federal Executive Boards help government to work with greater efficiency and effectiveness. From providing day-to-day contact with individual Americans to sharing ideas for better management, from conducting the Combined Federal Campaign to promoting volunteer activities, the Boards serve the Nation well by organizing and galvanizing the Federal team. On behalf of all Americans, I salute the dedicated members of the Federal Executive Boards.

Barbara joins me in sending best wishes for a memorable anniversary celebration and for every future success. God bless you.





Rules and Regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 960

Federal Executive Boards

AGENCY: Office of Personnel
Management.
ACTION: Final rule.

SUMMARY: The Office of Personnel Management is issuing final rules for the organization and functions of Federal Executive Boards. Federal Executive Boards were established pursuant to a Presidential directive of November 10. 1961, which charged the Chairman of the former Civil Service Commission to arrange for the establishment of a Board in each of the Commission's administrative regions and to continue similar associations in other centers of Federal activity. Since then the Boards have been the responsibility, variously. of the Civil Service Commission and its successor, the Office of Personnel Management, and the Bureau of the Budget and its successor, of the Office of . - Management and Budget. On June 7. 1982, the Executive Office of the President transferred authority for Federal Executive Board functions to the Office of Personnel Management. These rules are intended to carry into effect the directive of the President that Federal Executive Boards be organized and operated to achieve better interagency coordination of Federal activity and to better communications between Government officials in Washington and in the field. EFFECTIVE DATE: September 28, 1984. FOR FURTHER INFORMATION CONTACT: Ronald E. Brooks, Assistant to the

Deputy Director for Regional

SUPPLEMENTARY INFORMATION: Federal

Executive Boards were created by the

Operations, (202) 632-5544.

President to improve Federal management activities within major metropolitan centers across the country. Currently established in 26 cities that are major centers of Federal activity, the Buards are composed of the highest local officials of each Federal agency in those metropolitan areas. For several years, the Boards were jointly administered by the Civil Service Commission and the Bureau of the Budget. On June 7, 1982, the Executive Office of the President transferred authority for all Federal Executive Board functions to the Office of Personnel Management.

Federal Executive Boards are important organizational structures for outreach from Washington to Federal Government operations in the field. They function in four general areas: (1) Provision of a forum for the exchange of information between Washington and the field about programs, management methods, and administrative problems; (2) coordination of local approaches to national programs and such local interagency programs as may be approved by the Director; (3) communication from Washington to the field of management initiatives and other concerns for the improvement of coordination; and (4) referral to the national level of problems that cannot be resolved locally. These rules reflect a new emphasis upon and will provide a clear structure for the efficient organization and operation of Federal Executive Boards as well as eliminate ambiguities and unnecessary activities that might interfere with the full development of the Boards as instruments of effective Government management and communication.

On March 4, 1983, the Office of Personnel Management published for comment in the Federal Register proposed rules on the organization and functions of Federal Executive Boards. The comment period closed on April 4, 1983.

Comments were received from twenty-six sources including individuals, Federal agencies, Federal employee unions, and Federal Executive Boards. These comments have been carefully considered by the Office of Personnel Management. The comments received were generally supportive of the published proposed regulations.

Several commentators requested the inclusion of provisions for Federal

Federal Register Vol. 49, No. 169

Wednesday, August 29, 1984

Executive Board support for the American Veteran. As a result of these comments, and in view of the emphasis that the Office of Personnel Management has now generally determined to place upon the government's veterans programs, a new section has been added to the proposed regulations at 5 CFR 960.107(c)(7) which provides for recognition and dissemination of information with regard to American Veterans.

The funding of Federal Executive Boards and their staffs was the subject of several comments. There has been no change in the regulations on this subject. Congress has not provided central funding authority for the Federal Executive Boards or their staffs. The Office of Personnel Management believes that the future effectiveness of the Federal Executive Boards depends upon the commitment of the member Federal agencies to the Boards and their initiatives. In order to promote a feeling of responsibility and commitment, the regulations do not alter the current. funding arrangements which emphasize local agency responsibility.

Other comments suggested, variously, greater or lesser rigidity of structure for the Federal Executive Boards or greater or lesser degrees of involvement by the Office of Personnel Management in their operations. The Office of Personnel Management, after considering these comments, concludes that the proposed arrangements reflect a judicious mix of definition and flexibility, and therefore proceeds now to make them final. If subsequent experience demonstrates a need for change, ample opportunities will arise for future proposals for change to be aired within the Federal Executive Board program.

E.O. 12291, Federal Regulation

OPM has determined that this is not a major rule for the purposes of E.O. 12291. Federal Regulation, because it will not result in:

- (1) An annual effect on the economy of \$100 million or more:
- (2) A major increase in costs or prices for consumers, individual industries, Federal. State, or local government agencies, or geographic regions; or
- (3) Significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-

For further information, contact:

Paula L. Bridgham, Assistant for Regional Operations NARA-18-1003-A-003173 (202) 606-1001

based enterprises in domestic or export

Regulatory Flexibility Act

34194

I certify that this regulation will not have a significant economic impact on a substantial number of small entities because it only affects the organization and operation of Federal Executive Boards.

List of Subjects in 5 CFR Part 960

Covernment employees, Organization and functions (government agencies).

U.S. Office of Personnel Management.

Donald J. Devine,

Director.

Accordingly, OPM amends 5 CFR by adding Part 960 to read as follows:

PART 960—FEDERAL EXECUTIVE BOARDS

Sec 960.101 Definitions. 960.102 Authority and status. 960.103 Location. 960.104 Membership. 960.105 Officers and organization 960.108 OPM leadership. Authorized activities. 960.107 960.108 Additional rules and directives.

Authority: Memorandum of the President for Heads of Departments and Agencies (November 10, 1961).

§ 960.101 Definitions.

For purposes of this part:
(a) The term "Director" means the
Director of the United States Office of
Personnel Management.

(b) The term "Executive agency" means a department, agency, or independent establishment in the Executive Branch.

(c) The term "metropolitan area" means a geographic zone surrounding a major city, as defined and delimited from time to time by the Director.

(d) The term "principal area officer" means, with respect to an Executive agency, the senior official of the Executive agency who is located in a metropolitan area and who has no superior official within that metropolitan area other than in the Regional Office of the Executive agency. Where an Executive agency maintains facilities of more than one bureau or other subdivision within the metropolitan area, and where the heads of those fucilities are in separate chains of command within the Executive agency. then the Executive agency may have more than one principal area officer.

(e) The term "principal regional officer" means, with respect to an Executive agency, the senior official in a Regional Office of the Executive agency.

(f) The term "special representative" means, with respect to an Executive agency, an official who is not subject to the supervision of a principal regional officer or a principal area officer and who is specifically designated by the head of the Executive agency to serve as the personal representative of the head of the Executive agency.

§ 960.102 Authority and status.

Federal Executive Boards are established by direction of the President in order to strengthen the management and administration of Executive Branch activities in selected centers of field operations. Federal Executive Boards are organized and function under the authority of the Director.

§ 960.103. Location.

Federal Executive Boards have been established and shall continue in the following metropolitan areas: * Albuquerque-Santa Fe, Atlanta, Baltimore, Boston, Buffalo, Chicago. Cincinnati, Cleveland, Dallas-Fort Worth, Denver, Detroit, Honolulu. Houston, Kansas City, Los Angeles. Miami, Minneapolis-St. Paul, New Orleans, New York, Newark, Philadelphia, Pittsburgh, Portland. St. Louis, San Francisco, and Seattle. The Director may, from time to time, dissolve, merge, or divide any of the foregoing Federal Executive Boards, or establish new Federal Executive Boards. as he may deem necessary, proper or convenient.

§ 960.104 Membership.

(a) Presidential Directive. The President has directed the heads of agencies to arrange for the leading officials of their respective agencies' field activities to participate personally in the work of Federal Executive Boards.

(b) Members. The head of every Executive agency shall designate. by title of office, the principal regional officer, if any, and the principal area officer or officers, if any, who shall represent the agency on each Federal Executive Board; and by name and title of office, the special representative, if any, who shall represent the head of the agency on each Federal Executive Board. Such designations shall be made in writing and transmitted to the Director, and may be transmitted through the Chairmen of the Federal Executive Boards. Designations may be amended at any time by the head of the Executive agency.

(c) Alternate Members. Each member of a Federal Executive Board may designate an alternate member, who shall attend meetings and otherwise serve in the absence of the member. An

* An FEB in San Antonio was added in 1990.

alternate member shall be the deputy of principal assistant to the member or another senior official of the member organization.

§ 960.105 Officers and organization.

(a) By-Lows. A Federal Executive. Board shall adopt by-laws or other rule for its internal governance, subject to the approval of the Director. Such by-laws and other rules may reflect the particular needs, resources, and custor of each Federal Executive Board, provided that they are not inconsistent with the provisions of this part or with the directives of the President or the Director. To the extent that such by-laws and other rules conflict with these provisions or the directives of the President or the Director, such by-laws and other rules shall be null and void.

(b) Chairman. Each Federal Executive Board shall have a Chairman, who shall be elected by the members from among their number, and who shall serve for a term of office not to exceed one year.

(c) Staff. As they deem necessary and proper, members shall, from time to time, designate personnel from their respective organizations to serve as the staff, or otherwise to participate in the activities, of the Federal Executive Board. Other personnel may be engage by appointment, contract, or otherwise only with the approval of the Director.

(d) Unless otherwise expressly provided by law, by directive of the President or the Director, or by the bylaws of the Federal Executive Board, every committee, subcommittee council and other sub-unit of the Federal Executive Board, and every affiliation of the Federal Executive Board with external organizations, shall expire upon expiration of the term of office of the Chairman. Such a committee, subcommittee, council, other sub-unit, a affiliation may be reestablished or renewed by affirmative action of the Federal Executive Board.

(c) Board Actions. Actions of a Federal Executive Board shall be taken only with the approval of a majority of the members thereof. This authority manot be delegated. All activities of a Federal Executive Board shall conform to applicable laws and shall reflect prudent uses of official time and funds.

§ 960.106. OPM leadership.

(a) Role of the Director. The Director is responsible to the President for the organizational and programmatic activities of the Federal Executive Boards. The Director shall direct and oversee the operations of Federal Executive Boards consistent with law and with the directives of the President



He may, from time to time, consult with, and require the advice of, the Chairman, members, and staff of the Federal Executive Boards.

- (b) Role of the Director's Regional Representatives. The Chairman of each Federal Executive Board shall report to the Director through the Director's Regional Representative, an official of the Office of Personnel Management. The Director's Regional Representatives shall oversee the activities of, and periodically visit and meet with, the Federal Executive Boards.
- (c) Communications. The Office of Personnel Management shall maintain channels of communication from the Director through the Director's Regional Representatives to the Chairmen of the Federal Executive Boards, and between and among the Federal Executive Boards through the Director and the Director's Regional Representatives. Any Executive agency may use these channels to communicate with the Director Federal Executive Boards. Chairmen of Federal Executive Boards may communicate with the Director on recommendations for action at the national level, on significant management problems that cannot be addressed at the local level, and on other matters of interest to the Executive Branch.
- (d) Reports. Each Federal Executive Board shall transmit to the Director. over the signature of its Chairman, an annual work plan and an annual report to the Director on the significant programs and activities of the Federal Executive Board in each fiscal year. Each work plan shall set forth the proposed general agenda for the succeeding fiscal year. The work plan shall be subject to the approval of the Director. Each annual report shall describe and evaluate the preceding fiscal year's activities. The work plan for Fiscal Year 1985 shall be submitted on or before July 1, 1984, and the annual report for Fiscal Year 1984 shall be submitted on or before January 1, 1985. Subsequent annual reports shall be submitted on or before January 1 and subsequent annual work plans shall be submitted on or before July 1 in every year thereafter. In addition, members of Federal Executive Boards shall keep the headquarters of their respective Executive agencies informed of their activities by timely reports through appropriate agency channels.
- (e) Conferences. The Director may, from time to time, convene regional and national conferences of Chairmen and other representatives of Federal Executive Boards.

- § 960.107. Authorized activities.
- (a) Each Federal Executive Board shall serve as an instrument of outreach for the national headquarters of the Executive Branch to Executive Branch activities in the metropolitan area. Each Federal Executive Board shall consider common management and program problems and develop cooperative arrangements that will promote the general objectives of the Government and of the several Executive agencies in the metropolitan area. Efforts of members, alternates, and staff in those areas shall be made with the guidance and approval of the Director, within the range of the delegated authority and discretion they hold; within the resources available; and consistent with the missions of the Executive agencies
- (b) Each Federal Executive Board shall: (1) Provide a forum for the exchange of information between Washington and the field and among field elements in the metropolitan area about programs and management methods and problems; (2) develop local. coordinated approaches to the development and operation of programs that have common characteristics; (3) communicate management initiatives and other concerns from Washington to the field to achieve better mutual understanding and support; and (4) refer problems that cannot be solved locally to the national level.

(c) Subject to the guidance of the Director, the Federal Executive Boards shall be responsible for:

- (1) Presidential initiatives on management reforms; personnel initiatives of the Office of Personnel Management; programs led by the Office of Management and Budget, such as Reform '88 and the President's Council on Integrity and Efficiency; and facilities planning led by the General Services Administration:
- (2) The local Combined Federal Campaign, under the direction of the Director,
- (3) The sharing of technical knowledge and resources in finance, internal auditing, personnel management, automated data processing applications, interagency use of computer installations, and similar commonly beneficial activities;
- (4) The pooling of resources to provide, as efficiently as possible, and at the least possible cost to the taxpayers, common services such as employee first-aid, cardiopulmonary resuscitation ("CPR"), CPR training, preventative health programs, assistance to the aging, blood donor programs, and savings bond drives:

- (5) Encouragement of employee initiative and better performance through special recognition and other incentive programs, and provision of assistance in the implementation and upgrading of performance managemen systems:
- (6) Emergency operations, such as under hazardous weather conditions; responding to blood donation needs; a communicating related leave policies;
- (7) Recognition of the service of American Veterans and dissemination of information relating to programs an benefits available for veterans in the Federal service; and
- (8) Such other programs, projects, ar operations as may be set forth in the annual work plan approved by the Director.
- (d) The Office of Personnel ...
 Management shall advise Federal
 Executive Boards on activities in the
 areas of performance appraisal and
 incentives, interagency training
 programs, the educational development
 of Government employees, improvement
 of labor-management relations, equal
 employment opportunity, the Federal
 Women's Program, the Federal Equal
 Opportunity Recruitment Program, the
 Hispanic Employment Program, the
 Veterans Employment Program, and
 selective placement programs for
 handicapped individuals.
- (e) The Director may, from time to time, direct one or more of the Federa Executive Boards to address such specific programs or undertake such cooperative activities as he may deem necessary or proper.

§ 960,108. Additional rules and directive

The Director may, from time to time issue further rules and guidance for, a directives to, the Federal Executive Boards through the Federal Personnel Manual System and other appropriate instruments.

[FR Doc. 84-2277 Filed 6-28-84; 6:45 am] 8HLLING CODE 8328-01-84



DOJ EXECUTIVE SECRETARIAT CROSS-REFERENCE RECORD



CONTROL	NUMBER:	92031003851

NEWMAN, CONSTANCE BERRY, Dir-OPM

THE ENTIRE DOCUMENT PACKET FOR THE CONTROLLED CORRESPONDENCE INDICATED BY THE ABOVE EX.SEC. CONTROL NUMBER HAS BEEN FILED IN THE FOLLOWING PRIMARY FILE LOCATION WITHIN THE SUBJECT FILES OF THE ATTORNEY GENERAL.

PRIMARY	7	FILE:	CONFERENCES	
	5	MARCH	1992	



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM From: To: HEADS OF DEPARTMENTS & AGENCIES (AG.) ODD: NONE 03-18-92 Control #: X92031904421 Date Received: Date Due: NONE Subject & Date 03-16-92 MEMO PROVIDING A SUMMARY OF THE RESULTS OF THE 1991 RECERTIFICATION REVIEWS OF CAREER SENIOR EXECUTIVE SERVICE (SES.) MEMBERS ON A GOVERNMENTWIDE BASIS IN VIEW OF THE HIGH LEVEL OF INTEREST IN THIS INITIAL RECERTIFICATION CYCLE. ADVISES THAT OPM IS PREPARING AN EVALUATION FORM TO BE SENT TO AGENCIES AND A SAMPLE OF SES. MEMBERS TO GET THEIR REACTION TO HOW THE RECERTIFICATION PROCESS WORKED; WITH ATTACHMENT. Referred To: Referred To: Date: JMD; FLICKINGER 03-19-92 (5)W/IN: (1)(2) (6) PRTY: (3)(7)(4) (8)1 INTERIM BY: DATE: OPR: Date Released: MAU Sig. For: JMD

Remarks

INFO CC: OAG, DAG.

(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: KMM 03-19-92

FILE: OFFICE OF PERSONNEL MANAGEMENT

J920319 1017

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

March 16, 1992

RECEIVED DEPAGE T 0F 30571/31

'92 MAR 18 P4:22

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES lundanENECUTIVE STORE TARRE

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

1991 SES Recertification Actions

We have now received from agencies the results of the 1991 recertification reviews of career Senior Executive Service (SES) members. I wanted to give you a summary of those results on a Governmentwide basis in view of the high level of interest in this initial recertification cycle. All agencies should have already informed each of their executives of his or her own recertification determination.

The recertification requirement was established by the Ethics Reform Act of 1989 as a means to assure that the top career managers in the Government performed at the level of excellence expected of them. Under the law and OPM's regulations, recertification determinations were based on the overall performance of executives during a 3-year period and included consideration of such factors as annual performance ratings, awards and other recognition, and developmental activities. Agencies had the option of recertifying, conditionally recertifying, or not recertifying career SES members who had 156 weeks of continuous SES service as of the end of the recertification period.

Under the recertification process, the initial recertification recommendation was made by an executive's supervisor. recommendation was then reviewed by an agency Performance Review Board that had to have a majority of career SES members. final recertification determination was made by the agency head or his or her designee.

According to agency reports, close to 5,300 executives, or approximately 75 percent of all career SES members, were subject to recertification. Of that number, over 99 percent were found to have shown the required level of excellence in their performance and were recertified.

A total of 31 executives in 16 agencies were either conditionally or not recertified. That was 0.6 percent of the total number of executives subject to recertification. Twenty-two executives, or



NARA-18-1003-A-003178_{CON 131-64-4}

July 1988

0.4 percent, were conditionally recertified. Under the law, these executives remain in the SES, but a new recertification determination must be made within 12 months. If your agency has an executive who has been conditionally recertified, a performance improvement plan should have been prepared for the executive in preparation for the new recertification determination.

Nine executives, or 0.2 percent, were not recertified. Under the law, these executives must be removed from the SES, but have a right to be placed in another position with saved pay. Four of the executives decided to accept placement in GS-15 positions, and five decided to elect discontinued service retirement in lieu of placement. (By way of comparison, only four executives who had completed their probationary periods were removed from the SES based on less than fully successful annual performance ratings during the three fiscal years from 1989 to 1991.) The attached chart provides information on actions by agency.

We are preparing an evaluation form to be sent to agencies and a sample of SES members to get their reaction to how the recertification process worked. This first cycle in 1991 was new to all of us, and I hope that we can draw upon what we learned to make whatever improvements may be necessary for the next cycle in 1994.

Attachment



Recertification Actions CY 1991 Career Senior Executive Service

		T	
	Subject to Recertification	Conditionally Recertified	Not Recertified
Action	8	1 (12.5%)	
Board for International Broadcasting	3		1 (33.3%)
Ofc Secy of Defense	319	1 (0.3%)	1 (0.3%)
Navy	335	1 (0.3%)	
Education	44	6 (13.6%)	
Energy	327		1 (0.3%)
Environmental Protection Ag	183	1 (0.5%)	
Federal Energy Regulatory Commission	26		1 (3.8%)
General Services Admin.	79	1 (1.3%)	1 (1.3%)
Health & Human Services	422	2 (0.5%)	1 (0.2%)
Housing & Urban Development	66		1 (1.5%)
Justice	172	1 (0.6%)	
National Science Foundation	73	1 (1.4%)	
National Transportation Safety Board	10		1 (10.0%)
Railroad Retirement Board	10	2 (20.0%)	
Veterans Affairs	239	5 (2.1%)	1 (0.4%)
Total Government	5285	22 (0.4%)	9 (0.2%)



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM HEADS OF EXEC. DEPARTMENTS & AGENCIES (AG.) To: ODD: NONE Date Received: 03-26-92 Date Due: NONE Control #: X92032604897 Subject & Date 03-23-92 MEMO REGARDING BONE MARROW AND ORGAN/TISSUE DONATION AND TRANSPLANTATION. ASKS THAT EACH DEPARTMENT AND AGENCY DEVELOP POLICIES TO ACCOMMODATE EMPLOYEES WHO WISH TO BE MEDICALLY IDENTIFIED AS POTENTIAL BONE MARROW DONORS OR ATTACHES A COPY OF AS LIVING RELATED KIDNEY DONORS. DETAILED GUIDELINES WHICH HAVE BEEN PROVIDED TO DIRECTORS OF PERSONNEL TO ASSIST IN DEVELOPING POLICY ON MAKING EMPLOYEES AWARE OF HOW THEY MAY BECOME INVOLVED IN THE DONATION ** Referred To: Date: Referred To: Date: JMD; FLICKINGER 03-26-92 (5)(1)W/IN:

(1) JMD; FLICKINGER 03-26-92 (5) W/IN:
(2) (6)
(3) (7) PRTY:
(4) (8) 1
INTERIM BY: DATE: OPR:
Sig. For: JMD Date Released: MAU

Remarks

** PROCESS AND ON THE USE OF EXCUSED ABSENCE OR LEAVE FOR THESE PURPOSES.

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

Other Remarks:

KMM 03-26-92 FILE: OFFICE OF PERSONNEL MANAGEMENT J920326 1118

REMOVE THIS CONTROL SHEET PRIOR TO FILING AND DISPOSE OF APPROPRIATELY





UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

'92 MAR 26 MO:04

MAR 23 1992

ENECUTIVE SOLUTIVE WAS

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

Bone Marrow and Organ/Tissue Donation and

Transplantation

In recent years, great strides have been made in bone marrow and organ tissue transplantation. Some of these techniques have proven to be so effective in extending life that they are now considered standard treatments for certain illnesses. Others are still in the experimental or investigational stage.

The President and OPM have encouraged initiatives to make individuals aware of how they may help others who are in urgent need of transplants. I am hopeful that the Federal workforce will be a significant resource in responding to potential transplant recipients. I ask that each department and agency develop policies to accommodate employees who wish to be medically identified as potential bone marrow donors or as living related kidney donors. The period of absence from work can vary depending on the medical procedure involved in the donation. I remain confident that your policy will be sensitive to the differing donor requirements and, at the same time, will be responsive to the mission of your department or agency.

To maximize the Government's opportunity to contribute to this potentially lifesaving activity, I urge you to consider granting excused absence to those employees participating as living donors. We believe that more employees will participate with the knowledge that their employing agency is fully supportive.

To assist you in developing your policy on making employees aware of how they may become involved in the donation process and on the use of excused absence or leave for these purposes, we have prepared more detailed guidance for Directors of Personnel. I have attached a copy of this guidance for your information.

Attachment



INTERAGENCY ADVISORY GROUP

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT WASHINGTON, DC 20415

Secretariat 1900 E St., NW MAR 2 3 1992

MEMORANDUM FOR DIRECTORS OF PERSONNEL

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT: Bone Marrow and Organ/Tissue Donation and Transplantation

The attached memorandum to agency heads encourages employee education and awareness of the potentially life-giving benefits of bone marrow and organ/tissue donation. Some of our employees have been personally touched by this activity during the past few years. The following information is intended to assist you in developing a comprehensive agency policy on (1) making employees aware of the needs of fellow employees who might benefit from bone marrow and organ/tissue donation, and (2) the use of excused absence and leave, as appropriate, to facilitate employee participation in these activities. In this regard, it is important to let employees know that none of the expenses of a donation will be borne by them. The costs are charged to the recipient, whether the treatment is covered by health insurance or not.

Employee Awareness

A donor education program can be as simple as displaying posters, distributing donor cards, inviting local experts in the field of transplantation to speak to employees, or participating in the Donor Awareness Campaign currently being conducted at Federal agencies by the Office of Organ Transplantation, Department of Health and Human Services (301-443-7577). Bone marrow and organ/tissue donation programs offer various levels of participation. Employees may complete donor cards to express their wish to participate as a potential donor. Employees may respond to a request for screening to be a potential bone marrow or living related kidney donor. Finally, employees may undergo actual bone marrow or living related kidney donation procedures requiring significant periods of absence from the job. The decision to participate in these activities is a very personal matter for employees and their families.

The following organizations can provide information that will help you develop agency guidance and inform employees on how they can become potential donors:



Office of Organ Transplantation
Health Resources and Services Administration
Public Health Service
U.S. Department of Health and Human Services
Room 11A22, Parklawn Building
5600 Fishers Lane
Rockville, Maryland 20857
(301) 443-7577

The Office of Organ Transplantation serves as a source of information on the activities of State, private sector, and voluntary organizations, as well as Federal programs involved in various aspects of organ donation and transplantation. The Office is currently updating the pamphlet entitled, "Organ Transplant Questions and Answers," which answers commonly asked questions about donating and transplanting organs and includes a tear-out donor card. The pamphlet is scheduled for publication in early 1992.

United Network for Organ Sharing 1100 Boulder Parkway Suite 500 Richmond, Virginia 23225 1-800-243-6667

The United Network for Organ Sharing (UNOS) maintains a 24-hour nationwide telephone service and computer network to match organ donors with patients in need who are registered with regional transplant centers located across the country. It also provides information on organ and tissue donation in general.

National Marrow Donor Program
3433 Broad Street, NE.
Suite 400
Minneapolis, Minnesota 55413
1-800-526-7809 extension 839 for information on recruitment, organization, and publicity.
1-800-654-1247 for information on individual registration and donor matching.

The National Marrow Donor Program provides assistance to individuals and organizations who are interested in donating bone marrow or finding bone marrow donors. It provides information on donor consent cards, health screening tests, how to set up family and organizational search drives, and fundraising activities. It maintains a registry for those seeking and donating bone marrow.



The American Bone Marrow Donor Registry Search Coordinating Center
The Caitlin Raymond International Registry of Bone Marrow Donor Banks
University of Massachusetts Medical Center
55 Lake Avenue North
Worcester, Massachusetts 01655
1-800-7-DONATE for personal information.
(508) 756-6444 for organizational information.

The Search Coordinating Center is a comprehensive resource for patients and physicians. It provides information on medical, financial, and donor search resources, as well as community support services. Upon receipt of a search request from the physician, an international bone marrow donor computer search is initiated. Also, individuals wishing to become potential donors can obtain assistance from the center. The computer system contains a listing of eligible donors.

American Liver Foundation 1425 Pompton Avenue Cedar Grove, New Jersey 07009 (201) 857-2626 1-800-223-0179

The Foundation is the only national voluntary health organization dedicated to finding cures for liver disease by encouraging research, providing professional and public education programs, and promoting awareness and prevention of liver disease. The Foundation provides information on liver diseases and physician referrals. It has a national network of chapters and support groups for liver patients and their families. The American Liver Foundation is actively involved in promoting the awareness of the need for organ donation.

National Kidney Foundation 30 East 33rd Street Suite 1100 New York, New York 10016 (212) 889-2210 1-800-622-9010

The National Kidney Foundation is the major voluntary health agency dedicated to the total eradication of kidney and urologic diseases. The Foundation helps more Americans prevent, treat, and cure kidney and urinary tract diseases than any other agency through programs in organ donation, research, professional education, patient and community services, and public information. Through its national organ donor program, the Foundation is committed to its goal that everyone in need of a lifesaving organ transplant is able to get one.



Use of Excused Absence and Leave

For individuals who are interested in being screened as potential bone marrow donors, inquiries may be made at local community health facilities. Screening activities can often be scheduled before or after the normal workday and on Saturdays. In some cases, however, it may be appropriate to excuse an employee for a brief period of time to participate in a screening program during normal working hours. In addition, OPM urges agencies to accommodate employees who serve as living donors by granting excused absence and/or other appropriate leave to them for that purpose. We recognize that the length of absence for such purposes will vary depending upon the medical circumstances of each case. For medical procedures and recuperation requiring longer periods of time, you should consider a policy that allows employees to use excused absence in combination with an employee's accrued sick leave and/or annual leave, as appropriate, leave without pay, and advanced leave.

Your agency, and our society as a whole, will certainly benefit from increased employee awareness of the critical need for bone marrow and organ/tissue donation. OPM's Office of Labor Relations and Workforce Performance is available on (202) 606-1269 or (FTS) 266-1269 to provide additional information on the development of employee awareness programs. OPM's Pay and Leave Administration Division is available on (202) 606-2858 or (FTS) 266-2858 to provide further information and assistance on the use of excused absence and leave for this worthwhile endeavor.

Attachment



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: IRVIN, WILLIAM R., ASSISTANT DIRECTOR, OPM
To: DIRECTORS OF PERSONNEL (AG.) ODD: NONE
Date Received: 03-31-92 Date Due: NONE Control #: X92040105212
Subject & Date
03-23-92 LETTER ADVISING THAT OPM IS SPONSORING A JOB FAIR
FOR PEOPLE WITH TARGETED DISABILITIES ON MAY 11, 1992, FROM
11:00 A.M.-7:00 P.M., AND MAY 12, 1992, FROM 10:00 A.M.6:00 P.M. AT THE WASHINGTON CONVENTION CENTER,
900 9TH STREET, NW, WASHINGTON, DC. ALSO PROVIDES
INFORMATION ON SEMINARS BEING CONDUCTED BY OPM IN SUPPORT

W/IN:
,
PRTY:
1
1
OPR:
MAU

Remarks
INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

OF THIS JOB FAIR; WITH ENCLOSURES.

Other Remarks:

KMM 04-01-92 FILE: OFFICE OF PERSONNEL MANAGEMENT J920401 1224





United States Office of Personnel Management

Office of Washington Examining Services P.O. Box 52 Washington, D.C. 20415

In Reply Refer To:

Your Reference.

'92 HEC 31 23 E9 MAR 2 3 1992

Dear Directors of Personnel:

In an effort to increase the participation of people with disabilities in the Federal workforce, the Office of Personnel Management is sponsoring a job fair for people with targeted disabilities.

The job fair will be held May 11, 1992, from 11:00 a.m. to 7:00 p.m. and May 12, 1992, from 10:00 a.m. to 6:00 p.m. at the Washington Convention Center. The Convention Center, located at 900 9th Street, NW., Washington, DC, is convenient to both the Metro Center and Gallery Place subway stops.

To help make this job fair a success, our contractor, Business People, Inc. (BPI), has brought us together with the Epilepsy Foundation for the National Capital Area, and Job Connection. It is Job Connection's mission to bring employers and people with disabilities together at job fairs and to further educate employers on how to recruit, interview, hire and work with people with disabilities. With the assistance of the Epilepsy Foundation and Job Connection, we will bring you face to face with well qualified applicants with disabilities to assist you in meeting your staffing needs.

The Office of Personnel Management will sponsor a half-day employer seminar in support of this job fair. This seminar will be conducted by experienced instructors in the field. It will provide an opportunity to review the Schedule A and other excepted appointing authorities, enhance interviewing skills, and increase awareness of and sensitivity to disability-related issues and legislation. This seminar is only for agencies attending this job fair.



CON 130 84 March 1989 This seminar will be held on Tuesday, April 28, 1992, at 8:30 a.m. in the Office of Personnel Management's auditorium on the ground level, 1900 E Street NW., Washington, DC. If the Personnel Staffing Specialists and Selecting Officials in your agency are interested in attending this seminar, please fax the enclosed request form to Ms. Rita May on (202) 606-1764; or mail it to us at 1900 E Street, NW., Room 2469, Washington, DC, 20415, ATTN: Ms. Rita May. Please fax your request promptly because the seminar will be filled on a first come first served basis.

The regular pre-job fair symposium will also be held on April 28, 1992, immediately following the employer seminar. We will discuss logistics, reporting requirements, and special accommodations at that time.

Since this is a job fair that focuses on people with disabilities, you must make some special accommodations in advance. We are having some of our basic Federal employment information printed in braille and large print for the job fair. It is suggested that each agency have some general announcements printed in braille and large print also. If your agency does not have the capabilities to do this, you may consider contacting Ms. Freddie Peaco at the Library of Congress, National Library Service for the Blind, on (202) 707-5100 for assistance. Additionally, we will hire interpreters to be on hand during both days. We are contracting for more than the usual number. If you have interpreters on staff at your agency please include them in your plans.

The need for volunteers for interpreting and as escorts for this job fair is critical. If you have any suggestions on how we can more effectively manage this need, or if you have employees that are available to assist us, please let us know. You may call Margaret Johnson on 202-606-2686 for any additional information.

Our job fair vendor, BPI, is handling the contracts for the recruiting booths. The cost to reserve an 8' by 10' exhibitor booth for the 2-day fair is \$2,150.00. Please contact Ms. Lonnie Aronson on (301) 340-8259 for additional information and to reserve a space for your agency. If Ms. Aronson is unavailable, contact Mr. Mike Hall in Minneapolis toll free at 1-800-328-4032.



We sincerely hope you join us at the job fair. Take advantage of this excellent opportunity to staff your vacancies from an untapped resource of talented, dedicated individuals.

Should you or your staff have any additional questions, please call the job fair coordinator, Ms. Margaret Johnson on (202) 606-2686.

Sincerely,

William R. Irvin

Assistant Director for

Washington Examining Services

Enclosures

PEOPLE WITH DISABILITIES JOB FAIR BRIEFING

THE EPILEPSY FOUNDATION FOR THE NATIONAL CAPITAL AREA WILL CONDUCT A EMPLOYER BRIEFING FOR THE OFFICE OF PERSONNEL MANAGEMENT ON APRIL 28, 1992, FROM 8:30 a.m. TO 12:00 p.m. THE BRIEFING IS OFFERED IN SUPPORT OF THE JOB FAIR FOR PEOPLE WITH DISABILITIES SCHEDULED FOR MAY 11/12, 1992. THE BRIEFING WILL SERVE TO REVIEW THE SCHEDULE A AND OTHER EXCEPTED AUTHORITIES, ENHANCE INTERVIEWING SKILLS, AND INCREASE AWARENESS OF AND SENSITIVITY TO DISABILITY-RELATED ISSUES AND LEGISLATION.

PLEASE COMPLETE THIS FORM AND RETURN TO OPM IF YOU PLAN TO ATTEND.

SPACE IS LIMITED: RESERVE BY APRIL 1, 1992

YES, I/WE WILL ATTEND	
AGENCY	
CONTACT NAME	PHONE
ADDRESS	
THESE PERSONS WILL ATTEND:	

FAX YOUR RESPONSE TO:

MS. RITA MAY

COMMERCIAL: (202) 606-1674

FTS: 8-266-1674

TELEPHONE NO: (202) 606-2686



DISABILITY INFORMATION

TARGETED DISABILITIES ARE DISABILITIES TARGETED BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR EMPHASIS IN AFFIRMATIVE ACTION PROGRAMS AND DISABILITIES THAT MEET THE REQUIREMENTS FOR APPOINTMENT UNDER ONE OF THE SPECIAL NONCOMPETITIVE AUTHORITIES ESTABLISHED BY THE OFFICE OF PERSONNEL MANAGEMENT FOR PEOPLE WITH SEVERE PHYSICAL AND MENTAL DISABILITIES.

DEAFNESS

TOTAL DEAFNESS IN BOTH EARS, WITH UNDERSTANDABLE SPEECH TOTAL DEAFNESS IN BOTH EARS, AND UNABLE TO SPEAK CLEARLY

BLINDNESS

INABILITY TO READ ORDINARY SIZE PRINT, NOT CORRECTABLE BY GLASSES (CAN READ OVERSIZED PRINT OR USE ASSISTING DEVICES SUCH AS GLASS OR PROJECTOR MODIFIER)

BLIND IN BOTH EYES (NO USABLE VISION, BUT MAY HAVE SOME LIGHT PERCEPTION



MISSING EXTREMITIES
ONE ARM
ONE LEG
BOTH HANDS OR ARMS
BOTH FEET OR LEGS
ONE HAND OR ARM AND ONE FOOT OR
LEG
ONE HAND OR ARM AND BOTH FEET
OR LEGS
BOTH HANDS OR ARMS AND ONE FOOT
OR LEG

PARTIAL PARALYSIS
BOTH HANDS
BOTH LEGS, ANY PART
BOTH ARMS, ANY PART
ONE SIDE OF BODY, INCLUDING ONE
ARM AND ONE LEG
THREE OR MORE MAJOR PARTS ON
THE BODY (ARMS AND LEGS)

COMPLETE PARALYSIS
BOTH HANDS
ONE ARM
BOTH ARMS
ONE LEG
BOTH LEGS
LOWER HALF OF BODY, INCLUDING
LEGS
ONE SIDE OF BODY, INCLUDING ONE
ARM AND ONE LEG
THREE OR MORE MAJOR PARTS OF



THE BODY (ARMS AND LEGS)

CONVULSIVE DISORDERS CONVULSIVE DISORDER (E.G. EPILEPSY)

MENTAL RETARDATION MENTAL RETARDATION (A CHRONIC AND LIFELONG CONDITION INVOLVING A LIMITED ABILITY TO LEARN, TO BE EDUCATED, AND TO BE TRAINED FOR USEFUL PRODUCTIVE EMPLOYMENT AS CERTIFIED BY A STATE VOCATIONAL REHABILITATION AGENCY UNDER SECTION 2134.3102 (t) OF SCHEDULE A)

MENTAL ILLNESS MENTAL OR EMOTIONAL ILLNESS (A HISTORY OF TREATMENT FOR MENTAL OR EMOTIONAL PROBLEMS)

DISTORTION OF LIMBS/SPINE SEVERE DISTORTION OF LIMBS AND/OR SPINE (E.G DWARFISM, KYPHOSIS [SEVERE DISTORTION OF BACK])



PEOPLE WITH DISABILITY JOB FAIR FACT SHEET

To facilitate the hiring process, agencies may use the Schedule A hiring authority. Other existing direct-hire authorities and excepted appointment authorities, such as the 30% disabled noncompetitive hiring authority used to appoint individuals who have become disabled as a result of their military service, may also be used for hiring.

Each appointment must be reported on the appointment form designed for the People with Disabilities Job Fair. A copy of the appointee's Application for Federal Employment, SF-171, that bears the official "Job Fair" stamp must be submitted with the report. A form must be completed for each hire resulting from the job fair, whether the appointment is an excepted appointment or a competitive appointment.

In addition to establishing a data base of possible job opportunities at the job fair for the attendees' convenience, we will also be developing a data base of job fair attendees for the agencies' future use. To assist us in establishing the data base for job opportunities at the job fair, please fax or mail us a list of job



categories that you will be recruiting for, the duty location, and a name, address or telephone number of your agency representative with whom applicants should follow up. You may mail this information to us at 1900 E Street, NW., Room 2469, Washington, DC 20415, ATTN: Margaret Johnson; or fax us the information at (202) 606-1674. We would appreciate this information by April 25, 1992. You may also use the same number and address after the job fair to request access to the data base.

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM HEADS OF DEPTS. AND INDEPENDENT AGENCIES (AG.) ODD: NONE Date Received: 04-24-92 Date Due: NONE Control #: X92042706410 Subject & Date 04-15-92 MEMO ENCOURAGING HEADS OF DEPARTMENTS AND INDEPENDENT AGENCIES TO TAKE ADVANTAGE OF SEVERAL OPPORTUNITIES TO HIRE HIGHLY QUALIFIED MINORITY COLLEGE STUDENTS FOR 1992 SUMMER JOBS. IN ADDITION TO THE SPECIFIC INITIATIVES WITH THE HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND THE HISPANIC ASSOCIATION OF COLLEGES AND UNIVERSITIES (HACU), ENCOURAGES CONSIDERATION OF NATIVE AMERICAN STUDENTS, ASIAN AMERICAN STUDENTS, AND ** Referred To: Date: Referred To: JMD; FLICKINGER 04-27-92 (5)W/IN: (1)(6)(2)(7)(3)PRTY: (8)(4)1 OPR: INTERIM BY: DATE: MAU Sig. For: JMD Date Released: Remarks ** STUDENTS WITH DISABILITIES WHEN MAKING SUMMER HIRING ADVISES THAT AN FPM BULLETIN IS FORTHCOMING REQUESTING EACH AGENCY TO PROVIDE INFORMATION ON THE NUMBER OF STUDENTS EMPLOYED DURING THE SUMMER.

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

Other Remarks: (SEE EXEC. SEC. 92042906589.)

KMM 4/28/92 FILE: OFFICE OF PERSONNEL MANAGEMENT J920427 1606





UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

DEPARTMENT OF REST

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EXECUTIVE SECKE IABIA.

MEMORANDUM FOR HEADS OF DEPARTMENTS AND, UNDEPENDENT AGENCIES

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

1992 Federal Summer Jobs

This memo is to encourage you to take advantage of several opportunities to hire highly qualified minority college students for your 1992 summer jobs.

In support of the Federal Government's continuing efforts with our Nation's Historically Black Colleges and Universities (HBCU's), the Office of Personnel Management (OPM) established an HBCU Executive Committee. This group has indicated a need for better communications from the HBCU community about students who are interested in working for the Federal Government. of the Committee, the National Association for Equal Opportunity in Higher Education (NAFEO), gave OPM a list of more than 1,000 such HBCU students whose grade point averages are 3.0 or higher. We shared that list with your Student Employment Coordinator. there are any questions about the list, please contact NAFEO on (202) 543-9111. Students can be contacted directly, if you are interested in discussing job opportunities.

Additionally, there is a major summer job campaign at this time in furtherance of the Federal Government's "Project Partnership." This is an agreement among the Office of Personnel Management, the Hispanic Association of Colleges and Universities (HACU), and National Image, Inc., to promote the use of student employment programs to increase the representation of Hispanic Americans in the Federal workforce. This summer job campaign has been initiated under the leadership of HACU with support from the Department of Navy, Naval Sea Systems Command. Basically, a concerted effort has been undertaken by the HACU community through campus newspaper ads and posters to announce the summer job process and opportunities. The HACU Washington Office is available to assist you with any questions on this effort on (202) 833-8362.

In addition to the specific initiatives with the HBCU and HACU communities, I encourage you to reach out to the Native American students, Asian American students, and students with disabilities when making your summer hiring commitments. Research has shown



that students return to permanent employment where they had a rewarding summer internship experience. Thus, summer employment opportunities can be linked directly to the filling of entry level permanent positions. As a reminder, in addition to Summer Employment (Announcement 414), agencies may use the "q" authority as outlined in FPM Letter 332-24 for hiring students during the summer.

In an effort to obtain as much accurate information as possible on the hiring of HBCU and HACU students as well as Native American students, Asian American students, and students with disabilities in the Federal Government, an FFM Bulletin is forthcoming requesting each agency to provide information on the number of students employed during the summer.

If you have any questions concerning this issue, please have your staff contact Helen Lee on (202) 606-0870.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM To: HEADS OF DEPTS. & INDEPENDENT AGENCIES (AG.) ODD: NONE Date Received: 04-28-92 Date Due: NONE Control #: X92042906589 Subject & Date 04-20-92 MEMO REGARDING THE 1990 AGREEMENT BETWEEN OPM, THE HISPANIC ASSOCIATION OF COLLEGES AND UNIVERSITIES (HACU) AND NATIONAL IMAGE, INC., CALLED "PROJECT PARTNERSHIP." PURPOSE OF THE PARTNERSHIP IS TO INCREASE THE REPRESENTATION OF HISPANICS IN THE FEDERAL WORKFORCE THROUGH THE USE OF FEDERAL STUDENT EMPLOYMENT PROGRAMS. IN ADDITION TO HIRING, THERE IS A GREAT NEED FOR ROLE MODELS, "SHADOWING OPPORTUNITIES," AND VOLUNTEER MENTORS AND TUTORS TO ** Referred To: Date: Referred To: Date: (1)W/IN: JMD; FLICKINGER 04-29-92 (5)(2) (6)(7)(3)PRTY: (8)(4)1 DATE: INTERIM BY: OPR:

Date Released:

Remarks

** MOTIVATE YOUNG PEOPLE TO PURSUE HIGHER EDUCATION AND FEDERAL CAREER OPPORTUNITIES. ADVISES THAT FEDERAL AGENCIES SHOULD CONSIDER PROMOTING EMPLOYEE PARTICIPATION IN THESE ACTIVITIES BY ADJUSTING THE WORK SCHEDULES OF FEDERAL PARTICIPANTS OR OFFERING OTHER INCENTIVES TO ENCOURAGE EMPLOYEE INVOLVEMENT WITH "PROJECT PARTNERSHIP" RELATED ACTIVITIES; WITH ENCLOSURE.

Other Remarks:

Sig. For:

(SEE EXEC. SEC. 90071912345, 90073012922 & 92042706410 -CONTROL SHEETS ATTACHED.) INFO CC: OAG, DAG, ASG. (1) FOR APPROPRIATE HANDLING.

KMM 4/30/92

FILE: OFFICE OF PERSONNEL MANAGEMENT

JMD

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UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

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MEMORANDUM FOR HEADS OF DEPARTMENTS AND INDEPENDENT AGENCIES Conte Den Citu

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

"Project Partnership"

In 1990, the U.S. Office of Personnel Management (OPM), the Hispanic Association of Colleges and Universities (HACU), and National Image, Inc., entered into an agreement called "Project Partnership." The purpose of the partnership is to increase the representation of Hispanics in the Federal workforce through the use of Federal student employment programs.

We are encouraged by the wide range of ideas, initiatives, and individual agreements generated by "Project Partnership" throughout the Nation's Federal community. To date, many Hispanic young people have learned about Federal student employment programs and the challenging careers possible with the U.S. Government. Yet, we need to do more if we are going to be successful in increasing the number of Hispanic Americans employed by the Federal Government.

It is important to emphasize that there are other avenues required for Federal agencies to show their support and commitment to "Project Partnership." In addition to hiring, there is a great need for role models, "shadowing opportunities," and volunteer mentors and tutors to motivate young people to pursue higher education and Federal career opportunities.

Federal agencies should consider promoting employee participation in these activities by adjusting the work schedules of Federal participants or offering other incentives to encourage employee involvement with "Project Partnership" related activities. Federal Personnel Manual Letter 992-1, dated April 19, 1991, lists the flexibilities that agencies have to accommodate these arrangements. We know that Federal employees will give of themselves if given the opportunity.

In New Mexico, Federal agencies have joined forces to produce an exportable model that may be readily adapted to other parts of the country and to the recruitment of students from other underrepresented groups. The New Mexico model of implementing "Project



Partnership" encompasses action at the local level, broad-based participation and cooperation among Federal agencies, and linkage to the local private sector employer community (Attachment).

We urge you to become familiar with examples such as these and to support "Project Partnership."

Attachment



THE NEW MEXICO PROJECT PARTNERSHIP MODEL

THE PARTNERS - Image of New Mexico has the responsibility of providing role models and getting the word out to the Hispanic community through newsletters and at meetings and other forums. The role of the Hispanic Association of Colleges and Universities (HACU) is to provide the linkage between the feeder systems (i.e., the high schools) and its member colleges and universities. It is also responsible for keeping students at member institutions informed about Project Partnership job opportunities. The Albuquerque Area Office, Office of Personnel Management, serves as the central coordinator and technical advisor for the project.

THE CONCEPT - The New Mexico Project Partnership model was conceived with a focus on enhancing the educational opportunities for the largest number of Hispanic youth possible. Hence, it targets students at the middle school and high school levels since these are the feeder systems to the institutions of higher learning. By encouraging them to continue their education, the model seeks to increase the pool of Hispanics who are willing, ready, and with the necessary means to make the transition from high school to a college or university.

THE STRUCTURE - The structure of the New Mexico model consists of a network of Federal agency coordinators working with community-based, student-advocacy organizations to bring the Project Partnership message into the classroom. The role of the coordinators is threefold. They work with management in the development of student employment/development opportunities, serve as the agency's point of contact for all matters relating to Project Partnership, and make presentations or bring role models into the classroom.

New Mexico MESA (Mathematics, Engineering, Science Achievement), Inc.; Youth Development, Inc.; and the LULAC National Educational Service Center have opened the doors to the various New Mexico school districts. These organizations are also responsible for the scheduling of most presentations. Through their contribution, agency coordinators are able to reach the full spectrum of students, from the highly promising to the student at risk.

THE METHOD • The vehicles used to reach the students include classroom presentations, a Project Partnership newsletter, the publication of news articles in selected high school newspapers, a Project Partnership Job Opportunities List, and showcasing of the model at job fairs.

STUDENT OPPORTUNITIES - Because of an extremely high interest expressed by the students, opportunities have been expanded to include "shadowing" and mentoring arrangements. The inclusion of tutoring activities is being considered.

THE PRIVATE SECTOR - The overwhelming response to the Project Partnership message exceeded many times our expectations. The number of students seeking employment opportunities by far exceeded the number of jobs being created. In part, this need will be met by numerous private sector entities who are joining the Project.

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM

To: HEADS OF DEPTS. AND INDEPENDENT AGENCIES (AG.) ODD: NONE

Date Received: 05-01-92 Date Due: NONE Control #: X92050406873

Subject & Date

04-20-92 MEMO REGARDING THE 1992 NATIONAL IMAGE INC., TRAINING CONFERENCE AND CONVENTION TO BE HELD ON MAY 20-22, 1992, IN ALBUQUERQUE, NEW MEXICO. OPM EXPECTS THAT IMAGE'S NATIONAL CONFERENCE WILL OFFER FEDERAL AGENCIES AN OPPORTUNITY TO KEEP IN TOUCH WITH, BETTER UNDERSTAND, AND REMAIN SENSITIVE TO THE NEEDS OF THE HISPANIC COMMUNITY, AND ENCOURAGES GOVERNMENT PARTICIPATION AT THIS EVENT. **

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Remarks

** (SEE EXEC. SEC. 92042906589 AND 92042706410 - CONTROL SHEETS ATTACHED.)

INFO CC: OAG, DAG, ASG.
(1) FOR APPROPRIATE HANDLING.

Other Remarks:

OLA CONTACT: KMM 5/5/92

FILE: OFFICE OF PERSONNEL MANAGEMENT

J920504 1713 CROSS REFERENCES:

1. CONFERENCES

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OFFICE OF PERSONNEL MANAGEMENT WASHINGTON, D.C. 20415

APR 2 0 1992 '92 MAY -1 P4:34

ENECUTIVE SECRETARIAL

MEMORANDUM FOR / MEADS, OF DEPARTMENTS AND INDEPENDENT AGENCIES

FROM:

/ERSIGHT

Grishus Dece CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

1992 National Image, Inc., Training Conference

and Convention

By now you may have learned that National Image, Inc., will hold its 1992 Training Conference and Convention in Albuquerque, New Mexico, on May 20-22, 1992. While every year the program for these conferences includes events that set them apart from those held in previous years, this year's agenda includes items of particular interest to Federal agencies.

In the last decade, the Federal Government has made considerable strides in the recruitment of Hispanics and their advancement within its ranks. Yet, more can and must be done to ensure that Hispanics and other minorities share equally in running the affairs of our Nation. The Office of Personnel Management, National Image, Inc., and the Hispanic Association of Colleges and Universities recognized this fact when they signed a memorandum of understanding on March 15, 1990. This marked the birth of "Project Partnership," a cooperative effort aimed at increasing the representation of Hispanics in the Federal workforce.

During its 1992 Training Conference and Convention, National Image, Inc., will hold a "Project Partnership" Summit and showcase an exportable model developed in New Mexico to increase awareness of "Project Partnership." Also, the program will feature a job/career fair for students giving Federal agencies the opportunity to recruit for last-minute summer vacancies and inform students regarding the student employment programs the Federal Government has to offer. Besides participating in both events, OPM will take part in a symposium that will examine the challenges and progress of the last two decades and focus on forging a course for the future.

We expect that Image's National Conference will offer Federal agencies an opportunity to keep in touch with, better understand, and remain sensitive to the needs of our country's Hispanic community. Hence, we encourage your participation at this event.

If you have any questions or would like further information, you may contact the Office of Conference Information on AMERICA(505) 764-8818.

NARA-18-1003-A-003206

DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM HEADS OF DEPARTMENTS AND AGENCIES (CC: AG.) To: ODD: NONE 05-15-92 Date Due: NONE Date Received: Control #: X92051807677 Subject & Date 04-28-92 MEMO REGARDING TEMPORARY CONTINUATION OF HEALTH BENEFITS COVERAGE UNDER THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM. URGES AGENCIES TO SET UP PROCEDURES FOR NOTIFYING EMPLOYEES ON THEIR LAST DAY OF DUTY, OR AS SOON THEREAFTER AS POSSIBLE, OF THEIR ELIGIBILITY. URGES AGENCIES TO ENSURE THE PROMPT PROCESSING OF ENROLLMENTS SO THAT BOTH THE ENROLLEE AND HEALTH BENEFITS CARRIER RECEIVE DOCUMENTATION OF THE COVERAGE AT THE ** Referred To: Date: Referred To: JMD; FLICKINGER 05-18-92 (5)W/IN: (1)(2) (6)PRTY: (3)(7)(4)(8)1 INTERIM BY: DATE: OPR:

Date Released:

Remarks

** EARLIEST POSSIBLE DATE; WITH ENCLOSED FACT SHEET.

INFO CC: OAG, DAG, ASG.

Sig. For:

(1) FOR APPROPRIATE HANDLING.

JMD

Other Remarks:

FILE: OFFICE OF PERSONNEL MANAGEMENT J920518 1918

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UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415



APR 28 1992

'92 MAY 15 P3:59

ENECUTIVE SEGRETARIAL

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT: Temporary Continuation of Health Benefits Coverage

Over the past year OPM has received numerous complaints from current and former Federal employees about problems related to temporary continuation of coverage (TCC) under the Federal Employees Health Benefits (FEHB) Program. In many cases these problems have meant that they or their family members have not received needed health care services.

Continuation of FEHB coverage can be vitally important for former Federal employees and their families because it ensures continued access to health care while they seek new employment that provides group health coverage. Former family members (children and former spouses) are often in critical need of group health coverage until they can establish their independence from their former family unit. Even those who are employed may not have group health coverage through their employer. Some employers either do not provide health insurance or limit coverage when there are existing medical conditions.

I urge agencies to set up procedures for notifying employees on their last day of duty, or as soon thereafter as possible. In the case of former spouses and children, procedures should provide for notification within 3 working days after the agency is informed of their eligibility. I also urge agencies to ensure the prompt processing of enrollments so that both the enrollee and health benefits carrier receive documentation of the coverage at the earliest possible date.

The attached Fact Sheet provides information that may be useful to you in impressing upon personnel officers as well as other relevant staff the importance of prompt compliance with requirements.

Attachment



TCC Fact Sheet

OPM continues to received numerous complaints from current and former Federal employees about the problems they are having in enrolling for temporary continuation of coverage (TCC) under the Federal Employees Health Benefits (FEHB) Program. In reviewing these problems, OPM found that the major causes are failure of employing offices to send eligibility notices on a timely basis (or failure to send them at all) and delays in processing TCC enrollments.

TCC is available to (1) employees who lose their FEHB coverage because they leave their Federal jobs, (2) children who lose their FEHB family member status because they become age 22 or marry, and (3) former spouses who lose their FEHB family member status because of divorce or annulment. TCC allows former employees to continue their FEHB coverage for up to 18 months, and former family members (children and former spouses) to continue FEHB coverage for up to 36 months. TCC enrollees pay 102 percent of the full premium.

While the FEHB law requires agencies to notify separating employees about their TCC rights within 60 days after they leave their Federal jobs, it is preferable to begin the process as early as possible. Given the nature of the entitlement timeline, it is extremely important that employing offices notify employees as quickly as possible of their eligibility. It would be preferable to give them the notice on their last day of duty, so that their enrollment processing can be complete before the TCC coverage begins.

By law, TCC coverage begins on the 32nd day after regular FEHB coverage ends. (There is a 31-day temporary extension of coverage, at no cost to the enrollee, in the same enrollment category held at the time of separation.) Even if the enrollment processing is not completed until months later, coverage is retroactive to the 32nd day after termination of regular coverage and the enrollee must pay the full amount due for the period of retroactive coverage. However, enrollees often cannot get service from their chosen providers unless their enrollment has been processed and their insurance carrier has been notified of the enrollment. (When a person enrolls in an HMO, the plan must have a record of the enrollment before it will provide service. When a person enrolls in a fee-for-service plan, the plan will pay claims for services the person received during a period of retroactive coverage, but providers may be reluctant to provide services when the person has no proof of insurance coverage.) addition, enrollees may put off seeking needed health care because of the uncertainty about their coverage for that period.



Agencies are not required to notify children and former spouses of their TCC rights unless the agency is informed, within 60 days after the qualifying event, of their eligibility. (The qualifying event is the event that caused them to lose family member status, such as their 22nd birthday or divorce.) However, these individuals, too, can suffer from long periods of retroactive coverage. Although the law allows agencies 14 days after receiving information about eligible children and former spouses to send them the notice, it is preferable that the notice be sent to them within no more than 3 days. It is also extremely important that agencies process the enrollments quickly so that the enrollees' health insurance carriers have the necessary documentation when the enrollees need health care services.

Because TCC enrollees pay 102 percent of premium, when a considerable time has elapsed between the effective date of coverage and the first billing date, these individuals may be confronted with a lump sum payment that exceeds their expectations and their ability to pay. Prompt notification and processing is the only way to prevent huge retroactive bills from accumulating.

OPM issued guidance for employing offices about complying with the TCC law and regulations in FPM Letter 890-40, dated December 27, 1989.



DEPARTMENT OF JUSTICE EXECUTIVE SECRETARIAT CONTROL DATA SHEET

From: NEWMAN, CONSTANCE BERRY, DIRECTOR, OPM
To: HEADS OF DEPARTMENTS AND AGENCIES (AG.) ODD: NONE
Date Received: 05-22-92 Date Due: NONE Control #: X92052207981
Subject & Date
05-15-92 MEMO ATTACHING A COPY OF THE OFFICE OF PERSONNEL
MANAGEMENT'S (OPM) REPORT TO CONGRESS ENTITLED, "A STUDY OF
THE WORK AND FAMILY NEEDS OF THE FEDERAL WORKFORCE." THIS

MANAGEMENT'S (OPM) REPORT TO CONGRESS ENTITLED, "A STUDY OF THE WORK AND FAMILY NEEDS OF THE FEDERAL WORKFORCE." THIS REPORT WAS PREPARED IN RESPONSE TO A CONGRESSIONAL REQUEST THAT OPM SURVEY FEDERAL AGENCIES TO ASSESS THE USE OF WORK AND FAMILY PROGRAMS AND TO REPORT ON MEASURES THAT WOULD MAKE THEM MORE EFFECTIVE AND INCREASE THEIR UTILIZATION.

Referred To: Date: (1) JMD; FLICKINGER 05-22-92 (5) (2) (6) (3) (7) (4) (8) INTERIM BY: Sig. For: JMD	Referred To: Date: DATE: Date Released:	W/IN: PRTY: 1 OPR: MAU
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Remarks

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Other Remarks:

5-22-92 TO KMM FILE: OFFICE OF PERSONNEL MANAGEMENT J920522 2006

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UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

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EXECUTIVE ST - 1 Top.

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM:

CONSTANCE BERRY NEWMAN

DIRECTOR

SUBJECT:

OPM REPORT TO CONGRESS, A STUDY OF THE WORK AND

FAMILY NEEDS OF THE FEDERAL WORKFORCE

I am pleased to send you the Office of Personnel Management's (OPM) report to Congress, A Study of the Work and Family Needs of the Federal Workforce. This report was prepared in response to a congressional request that OPM survey Federal agencies to assess the use of work and family programs and to report on measures that would make them more effective and increase their utilization. The report contains an array of findings related to work and family needs and related agency programs and services.

The report challenges OPM and Federal agencies with the opportunity to strengthen the Federal Government's work and family programs for those employees who must balance their family needs with work responsibilities. In this regard, I want to draw your attention to the key measures that identify initiatives to improve the effectiveness of work and family programs. These measures include OPM establishing a new Work and Family Program Center which will be located in the Personnel Systems and Oversight Group. This center will have responsibility for coordinating work and family programs.

Working together, we can effectively address the challenge to help employees balance their work and family responsibilities. I appreciate your continuing assistance and look forward to working with you in this important endeavor.

Attachment





A Study of the Work and Family Needs of the Federal Workforce

A Report to Congress by the Office of Personnel Management April 1992

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